

# **SOUTH AUSTRALIA**

**Report on the Operations**

**of the**

**Auditor-General's Department**

**for the**

**Year ended 30 June 2002**



## EMPLOYEES OF THE AUDITOR-GENERAL'S DEPARTMENT 2002

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30 September 2002

The Hon M D Rann, MP  
Premier  
15th Floor State Administration Centre  
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Dear Premier

I am pleased to provide you with the Annual Report on the Operations of the Auditor-General's Department for the financial year ended 30 June 2002.

Yours sincerely

A handwritten signature in black ink, appearing to read 'K I MacPherson'.

K I MacPherson  
AUDITOR-GENERAL



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# Foreword

At the outset I extend my thanks to all members of staff of the Auditor-General's Department for their continued commitment and quality work ethic to achieve audit and departmental related responsibilities in 2001-02.

Through the conduct of audit and investigatory work and reporting on those outcomes to the Parliament and public sector agencies staff have again worked diligently in their audit contribution to the accountability of the Executive Government and the public service to Parliament.

The nature and level of commitment has been such that both the Annual Report of the Auditor-General for 2000-01 and the Final Report of the Auditor-General on the Hindmarsh Soccer Stadium Redevelopment Project were able to be completed concurrently for presentation to Parliament in early October 2001.

The good work ethic of staff has also been reflected in their contribution to the overall workings of the Department. More specifically their willingness to either initiate, assist, work with or cooperate in the introduction of new developments that have been directed to the betterment of both staff members and departmental performance has been outstanding.



SA AUDITOR-GENERAL  
KEN MacPHERSON

Some of the developments that have taken place during 2001-02 and that will result in continuous improvement are:

- Introduction of quarterly forum meetings involving all staff.
- Changes to senior management meetings to advance ideas, enhance communication and consultation and, to facilitate knowledge transfer.
- The development and trial of a personal performance management system and process for full implementation in 2002-03 to enhance staff development performance.
- Consolidation of the financial audit methodology used to conduct independent audits of public sector agencies, that was substantively implemented in 2001-02. That methodology has resulted in extended emphasis on the review aspects of agency computing environments and systems.
- Commencement of the development of a revised quality assurance framework to be applied to agency audits to ensure efficiency and effectiveness of audit process.
- Establishment on a trial basis of a small section of senior audit officers to specifically undertake selected public interest reviews and to work in cooperation with field audit sections in facilitating the conduct of their respective public interest reviews.
- Introduction of initiatives involving executive and senior management to further improve the identification, actioning and monitoring of risks associated with audit and departmental responsibilities.

The 2002-03 financial year will also be demanding. In addition to undertaking the annual audits of public sector agencies, the Government through appropriate Ministers has referred to the Department certain matters which will be investigated. It is also time for the Department to revisit its three year Corporate Plan, so as to reflect on the strengths and weaknesses of the past three years and to identify strategies for specific areas of improvement over the next three years.

I look forward to working with my loyal staff in meeting the challenges ahead.

# Three Year Summary

## KEY FINANCIAL INDICATORS

	2001-02	2000-01	1999-2000
	\$'000	\$'000	\$'000
Total Audit Fees Raised	7 700	7 913	8 234
Total Expenses			
• Prescribed Audits	8 941	8 648	8 753
• Special Investigations	219	1 029	775
Total Assets	1 545	1 195	1 364
Total Liabilities	2 061	1 918	2 066

## KEY OPERATING RESULTS

	2001-02	2000-01	1999-2000
Number of Audit Clients	176	182	190
Number of Independent Audit Reports Issued	178	170	177
Qualified Audit Opinions Issued	15	11	12
Number of Reports to Parliament <sup>(1)</sup>			
• Annual Report	1	1	1
• Special Reports	4	3	–
• Operations Report	1	1	1
• Supplementary Reports	1	4	4
Staff Establishment (FTE)	109	106	106
Average FTE for year	104	100 <sup>(2)</sup>	96.4 <sup>(2)</sup>

(1) For the audit year ended 30 September.

(2) Average FTE for the year excludes graduates employed as part of the South Australian Government University Graduate Youth Recruitment Initiative Equal Employment Opportunity Program.



# Corporate Overview

## PURPOSE OF THE DEPARTMENT

The Department provides the Parliament (and consequently the people of South Australia) and public sector agencies with independent professional opinions on matters related to financial management, compliance with legislative requirements and, where appropriate, comments on the efficiency and economy with which public sector resources are used.

As part of the public sector accountability process, the function of the Auditor-General's Department is to assist the Auditor-General to carry out the duties prescribed in the *Public Finance and Audit Act 1987*. The Auditor-General is currently the prescribed auditor of 176 public sector agencies.

## AUDIT LEGISLATION

*The Public Finance and Audit Act 1987* (the Act) provides a vital link in the chain of accountability of the Executive Government to the Parliament and to the taxpayers of this State who are the ultimate providers of funds for the operations of Government.

The Act prescribes the financial reporting obligations of the Treasurer and of public sector agencies. The provision of an independent professional attestation to those financial reports by the Auditor-General, in accordance with the provisions of the Act, together with the associated statutory reporting responsibilities of the Auditor-General, ensures that Parliament is provided with a high level of assurance that monies that have been raised and collected have been expended properly and in accordance with the law.

Although there were no legislative changes to the Act during 2001-02, the new Government introduced a bill to amend the Act on 22 August 2002. As part of the Government's ten point plan for honesty and accountability, the Government has introduced the bill to widen the powers of the Auditor-General.

There are a wide range of statutory provisions that have a direct influence on the operations of the Auditor-General's Department. These include statutes that appoint the Auditor-General as the auditor of public sector agencies, other legislation which embodies special Commonwealth/State financial arrangements, the financial law of this State (eg Supply Acts, Appropriation Acts) and the Corporations Act.

## THE AUDITOR-GENERAL

The Auditor-General, who is appointed by Parliament under the *Public Finance and Audit Act 1987*, leads the Auditor-General's Department and has specific statutory responsibilities in relation to the audit of the Public Accounts, the accounts of public authorities and to the review of the efficiency and economy of public sector operations.

The accountability for public funds is provided through the statutory audit performed by the Auditor-General and also through his statutory responsibility to report to Parliament on the manner in which Executive Government has fulfilled its accountability responsibilities.

## ORGANISATIONAL STRUCTURE

### Organisation

In essence there are two fundamental activities that underpin the operations of the Department ie 'Financial and Operational Audit Activities' and 'Corporate Support Activities'. A complete Departmental organisation chart is attached as Appendix A. During the year the Department revised its organisation structure as a result of the finalisation of the major special investigations that were undertaken in recent years. The special investigation section was disbanded and the Department established a Public Interest Review section which is responsible for the review of specific matters of public interest.

#### Financial and Operational Audit Activities

The Field Operations directorates' functions are to assist the Auditor-General in carrying out the audit responsibilities under the *Public Finance and Audit Act 1987*. Within the field operations directorates, the Department currently operates 14 field

audit sections, an Information Systems Audit section, and a Public Interest Review section. All sections report to a Director of Audits (Field Operations) or the Deputy Auditor-General.

Each field audit section is responsible for a portfolio of audits which is led by a Principal Audit Manager or an Audit Manager, who is supported by a team of up to seven auditors.

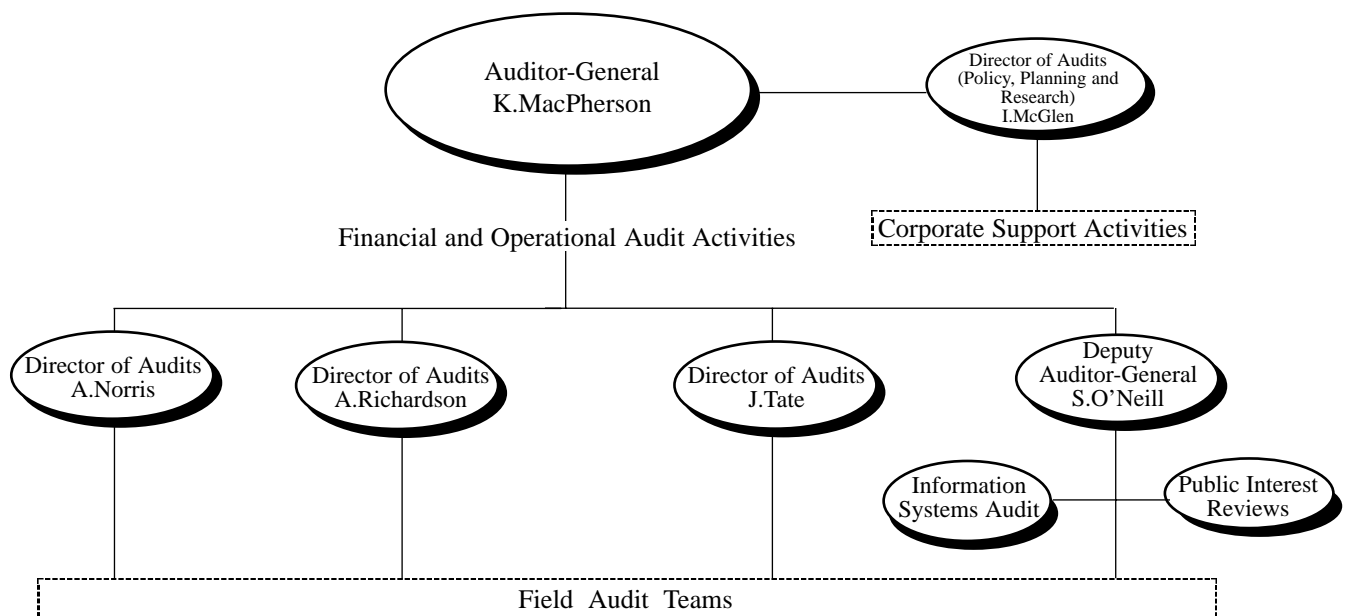
#### Corporate Support Activities

This directorate's function is to support audit staff in the discharge of their financial and operational audit responsibilities and to assist the Auditor-General in discharging his Departmental responsibilities as Chief Executive of the Department. The directorate comprises five sections namely:

- Administration and Finance;
- Human Resource Management and Development;
- Information Technology Support;
- Research and Quality Assurance; and
- Special Projects.

Each section reports to the Director of Audits (Policy, Planning and Research).

*Auditor-General's Department  
Organisation Chart*



### ***Departmental Executive***

The Executive of the Department consists of the Auditor-General, Deputy Auditor-General and the four Directors of Audits. It meets on a regular basis (usually weekly) and considers its accountability in two areas.

Firstly, the Executive, in consultation with staff of the Department, sets corporate policies, strategies and annual work programs to meet statutory audit

responsibilities to the Parliament and public sector agencies; ensures the good administration of the department; and oversees the development of all staff.

Secondly, the Executive works with senior corporate and audit managers in coordinating and overseeing policy implementation; executes the strategies and work programs; and ensures the achievement of associated targeted outcomes.



#### **DEPARTMENTAL EXECUTIVE**

(From left to right) Simon O'Neill, Alan Norris, Andrew Richardson, Ken MacPherson, Ian McGlen, John Tate.

### **RELATIONSHIP WITH PARLIAMENT**

The *Public Finance and Audit Act 1987* (the Act) establishes the independence of the Auditor-General from the Executive Government and provides that the primary relationship of the Auditor-General is to the Parliament.

Provisions contained in the Act relating to the appointment and removal of the Auditor-General and funding for his salary emphasise

that independence. However, it is the provisions contained in subsection 24(6) of the Act which state that the Auditor-General is not subject to the direction of any person as to the manner in which he carries out the functions or exercises powers under the Act or to the priority that he gives any matter that reinforces that independence.

The *Public Finance and Audit Act 1987* also provides for a high level of accountability to be exercised, mainly through the Auditor-General's statutory report to Parliament. That report provides the major means of communication between the Auditor-General and the Parliament.

The Report of the Auditor-General for the year ended 30 June 2002, tabled in the Legislative Council and the House of Assembly consists of:

#### **Part A: Audit Overview**

The Audit Overview is a general review of, and report on, the public finances of the State. It also contains commentary of Audit findings and comment concerning specific issues of importance and interest in the public sector that are brought to the attention of the Government and the Parliament.

#### **Part B: Agency Audit Reports**

This part of the report contains comment on the operations of individual public authorities, the financial statements of those public authorities and the Treasurer's Statements. Matters of administrative significance or importance to the Government and the Parliament are also contained in Part B.

In addition the Auditor-General meets the Committees of the Parliament on an 'as needs' basis.

### **RELATIONSHIP WITH THE PORTFOLIO OF PREMIER AND CABINET**

The Auditor-General is accountable for the outcomes of this Department to the Parliament. A critical factor in satisfying the various responsibilities in an effective and efficient manner relates to the matter of the

independence of the Auditor-General. Recognising this the *Public Finance and Audit Act 1987* requires and provides for the Auditor-General to be independent of Executive Government.

Accordingly, while the Department is considered part of the Portfolio of Premier and Cabinet, in the discharge of its audit responsibilities, it is independent of Executive Government.

Further, the Department reports directly to the Parliament and its relationship with the Department of the Premier and Cabinet is limited to matters concerning administrative arrangements.

### **RELATIONSHIP WITH AUDITEE AGENCIES**

One of the dominant themes of recent developments in public sector management is the demand which is being placed upon Chief Executives and managers for the implementation and maintenance of sound financial systems and processes by auditee agencies.

As part of the audit process, the Department contributes to the quality of public sector management by:

- Providing independent information and advice on the operations of agencies.
- Encouraging the development and maintenance of effective financial and management processes.
- Supporting the promotion and improvement in the form and quality of internal and external financial reporting by agencies.

## RELATIONSHIP WITH AUDIT COMMITTEES

The Auditor-General's Department recognises the benefits from creating and maintaining a climate of professional respect between itself and its auditee agencies. A method for building such an environment is the contribution made by the employees of this Department through their attendance at audit committee meetings for various auditee agencies.

- Provide a 'public voice' aimed at developing a collective image by articulating collective views on matters of audit interest.
- Research and prepare papers on newly emerging or topical issues of interest to Auditors-General.
- Coordinate the development of a collective opinion of Auditors-General on accounting and auditing standards and other relevant issues.
- Coordinate efforts to improve the efficiency and effectiveness of public sector audit.

## RELATIONSHIP WITH INTERSTATE AND OVERSEAS OFFICES

### Australasian Council of Auditors-General

The Australasian Council of Auditors-General (ACAG) was established following the 19th Bicentennial Conference of Auditors-General in Perth in 1993. It provides consultative arrangements for the structured sharing of pertinent information and intelligence between Auditors-General in a time of increasing complexity and rapid change.

Membership of ACAG is open to the Auditor-General of all audit jurisdictions within Australia, Fiji, New Zealand, and Papua New Guinea.

The role and function of ACAG is to:

- Provide a communication/coordination channel between audit offices to facilitate information and expertise exchange.

During 2001-02, the Auditor-General participated as a member of the Executive Committee of ACAG and attended one ACAG Conference in April 2002. In addition, the Department participated in a number of benchmarking exercises and projects involving the exchange of information and expertise.

## Corporate

# Plan 1999-2000 to 2001-02

### BACKGROUND

The Corporate Plan is an important means of communicating to Parliament (our client) and to auditees, staff and the public why we exist, where we are heading and what we expect to achieve.

The Department developed, in consultation with the staff of the Department, a Corporate Plan covering the three year period 1999-2000 to 2001-02. The Plan aimed to address a number of challenges facing the Department. The mission, values and corporate objectives of the Department detailed in the plan are described below.

### MISSION

To contribute as an important body to the accountability of the Executive Government and public sector agencies to Parliament by the provision of independent reports on matters concerning public sector finance, use of public resources and the probity and lawfulness of matters associated with public administration.

### CORPORATE OBJECTIVES AND ASSOCIATED OUTCOMES

- Perform professional independent audits and other examinations of the accounts and operations of public sector agencies.

*Outcome* - Improved provision of professional assurance services to the public sector.

- Report to Parliament on matters relating to public finance, public administration and public accountability that in the opinion of the Auditor-General are important to bring to the attention of Government and Parliament; and report to public sector agencies regarding issues arising from the audit review of their accounts and operations.

*Outcome* - Improved provision of professional, timely, relevant, independent opinions and reports on public sector finance, administration and public accountability matters.

- Enhance the Department's ability to attract, maintain and retain highly skilled and committed professional people.

*Outcome* - Improved environment and opportunities for staff members.

- Provide infrastructure and support that encourages improved use of knowledge and expertise, to assist the Department to meet its ongoing professional responsibilities.

*Outcome* - Enhanced utilisation of corporate knowledge systems in the provision of audit service.

### STRATEGIES

To achieve these objectives, the Department's Corporate Plan has strategies and associated targeted outcomes which are considered important to discharging, in a professional manner, the responsibilities conferred on the Auditor-General and the Department by legislation and the administrative arrangements of the Government.

### ACHIEVEMENT OF THE PLANNED STRATEGIES

The following provides details of the significant achievements with respect to the Corporate Plan during the 2001-02 financial year.

- Presentation of the Auditor-General's Annual Audit Report to Parliament as prescribed by the *Public Finance and Audit Act 1987*.

- Presentation of the following Reports to Parliament pursuant to the *Public Finance and Audit Act 1987*.
  - Interim Report of the Auditor-General on the Hindmarsh Soccer Stadium Redevelopment Project.
  - Final Report of the Auditor-General on the Hindmarsh Soccer Stadium Redevelopment Project.
  - Auditor-General's Response to the Allegations made by the Hon Joan Hall MP on 4 October 2001.
  - Supplementary Report: Agency Audit Reports.
- Finalised the implementation of the audit methodology for financial statements and control opinions in all field audit teams.
- Undertook a program of reviews of specific issues of importance and interest in the public sector, aimed at improving processes and/or maintaining accountability in public sector agencies.
- Developed and commenced a trial of a new performance management system for all employees.

The Executive have agreed to extend the timeframe for completion of the current Corporate Plan from 30 June 2002 to 31 December 2002 on the basis the Department currently has work to complete with respect to a number of corporate strategies that will not be finalised by 30 June 2002. Further, the Executive agreed given the Government had indicated its intention in early 2002 to revise the powers and functions of the Auditor-General, it would be more prudent to establish a new three year plan when the extent of changes and their potential impact on the Department's operations are known.

## VALUES

The values we hold, both as individuals and as a collective body (as a Department), are the foundation upon which our actions, words and decisions are based. Acknowledging this we have taken the opportunity to document the values which the Department is committed to and which underpin the strategic planning processes and the operations of the Department.

Our values are:

*Integrity* We will display integrity through honest, ethical and professional behaviour.

*Independence* In the conduct of our work and in forming our opinions we will exhibit independence, impartiality and fairness.

*Innovation* We will strive for continuous improvement through acceptance and promotion of innovative ideas and the sharing of knowledge.

*Respect* We will respect diversity and the contribution of others and will create a collaborative/team environment that encourages open communication, trust and empowerment. We will foster effective working relationships which acknowledge and value the role and responsibilities of key stakeholders.

*Quality* We will ensure our work is of high quality reflecting relevance, sound methodology, good judgement and thoroughness.

*Accountability* We will be accountable for our decisions and actions and be transparent in the way we conduct our business.

# Provision of Auditing Services

## LEGISLATIVE MANDATE

The statute that has the greatest impact on the operations of this Department is the *Public Finance and Audit Act 1987*. That Act provides the statutory mandate for the Auditor-General to conduct the audits of public sector agencies.

The major principles embodied in that Act provide for the Auditor-General to:

- be appointed;
- be independent of the Executive Government;
- audit the accounts of the Treasurer, government departments, statutory authorities and other public sector agencies;
- examine the efficiency and economy with which government departments, statutory authorities and other public sector agencies use their resources;
- report audit findings and other stipulated matters to both Houses of Parliament;
- review summaries of confidential government contracts and report on the adequacy of the document as a summary of the contents of the contract when requested to do so by a Minister;
- have full and free access to all accounts, records, documents and information required for the discharge of the audit function;
- charge fees for conducting audits with the approval of the Treasurer.

The Act imposes a statutory obligation on the Auditor-General to conduct the audits of 176 public sector agencies and statutory funds. In addition, in accordance with section 33 of the Act, the Auditor-General has accepted appointment as auditor of 16 entities.

## TYPES OF AUDITS AND REVIEWS CONDUCTED

The Act provides a mandate for the Auditor-General to conduct five different types of audits and reviews. These are:

- Financial and compliance audit - subsection 31(1).
- Efficiency and economy audit - subsection 31(2).
- Review of the adequacy of controls exercised by auditee agencies - subsection 36(1)(a)(iii).
- Examination of the accounts of a publicly funded body - section 32.
- Review of a summary of a confidential government contract - section 41A.

### *Financial and Compliance Audit*

Subsection 31(1) of the Act imposes a statutory obligation on the Auditor-General to audit the accounts of the Treasurer and also each public authority (as defined in the Act).

Such audits are known as financial and compliance audits. As that term indicates, the main thrust of these audits is directed towards the matter of accountability for the funds and resources made available to, and administered by agencies. The audit also provides a high level of assurance that all legal obligations and requirements have been met.

The Act does not prescribe the methods to be used in conducting a financial and compliance audit. The methods and practices adopted are continually reviewed and assessed by the Department to ensure the efficiency and effectiveness of the Department's audit processes are maintained.



The audit methodology used by the Department follows that stipulated in the Auditing Standards and Auditing Guidance Statements issued by the Australian Accounting Research Foundation on behalf of the two major accounting bodies in Australia.

The particular methodology adopted by this Department is known as 'Risk Based Auditing' and is based on an audit software package on licence from an international firm of chartered accountants. This methodology places considerable emphasis on the planning of audits.

The first stage of audit planning requires that all business activities of the auditee agency be identified. The audit risk associated with each of those business activities is then identified and documented by the auditor.

Factors taken into account in determining the audit risk include the risk inherent in the activities being undertaken by the

auditee agency, the adequacy of the internal control structure established by the auditee agency, and the risk that the procedures employed by the auditor may not detect material misstatements in the financial statements.

The second stage requires that sufficient audit coverage and testing is planned in order to ensure that the audit risk identified in the first stage is reduced to an acceptable level. All audit plans are reviewed and approved by a Director of Audits.

Transactions and/or records required for audit testing are generally selected using statistical sampling methods and many are extracted from auditee agency files using special audit software routines.

Similarly, many of the audit tests to which those transactions and/or records are subjected are applied by using specialised audit software which runs on the powerful notebook personal computers issued to each staff member.



Principal Audit Manager, Wendy Haydon (on the right) with her team members at the South Australian Water Corporation.

For more information regarding the audit methodology, refer to comments in this Report under the heading Research and Quality Assurance on page 21 of this report.

Details of the audit work undertaken and the results of that work are recorded electronically using audit software package.

Findings resulting from the audit are discussed with appropriate auditee agency staff and subsequently forwarded in writing by means of a management letter to the appropriate level of auditee agency management. A response in writing to the issues raised by Audit is sought from auditee agency management. The time period for a response is usually four weeks.

At the conclusion of each audit, a series of quality control reviews are undertaken by senior Audit officers to ensure that:

- The work performed was of an acceptable professional standard including adequate explanation and understanding of the impact of material events occurring in the auditee agency.

- Sufficient work was performed in order to form an opinion on the auditee agency's financial statements.
- The work performed was in accordance with that planned or good reasons exist (and are documented) for any material deviations.
- The results have been conveyed accurately and in a timely manner to auditee agency management.
- A written response has been received.
- The opinion expressed on the financial statements is reflected by the results of the audit.
- The opinion expressed on the controls exercised by the auditee agency is reflected by the results of the audit.

In accordance with professional standards, the Auditor-General issues an opinion on the financial statements of each auditee agency through a document known as an 'Independent Audit Report'.



Principal Audit Manager, Vasso Gouros (second from right) with her team members at the Adelaide Festival Theatre.

The Independent Audit Report in most cases is not qualified. However, where the results of an audit are not satisfactory or where the accounting treatment for certain transactions does not comply with applicable professional accounting standards, the Independent Audit Report may be qualified, or in extreme cases, no opinion may be expressed. The inability to express an opinion signals the fact that there were issues associated with the audit of an auditee agency that warranted the attention of the Government and the Parliament. In accordance with professional requirements, full reasons are provided in those cases where the Independent Audit Report is qualified or where no opinion is given.

### ***Efficiency and Economy Audit***

Subsection 31(2) of the Act authorises the Auditor-General to examine the efficiency and economy with which a public authority (as defined in the Act) uses its resources.

Such audits are also known as 'value for money' (or performance) audits. As would be expected, this type of audit can be diverse in respect of the types of issues reviewed. It may be large and complex, it may encompass more than one organisation, or alternatively, it could be relatively small and cover only one section or part of an organisation.

The methodology and approach adopted will, of course, vary from one subject matter to another. The overall methodology to be followed however, will encompass the following stages:

- planning;
- identifying the measurement model;
- fact gathering;
- assessment of facts against the measurement model;
- forming provisional conclusions;

- natural justice/procedural fairness processes;
- quality control;
- reporting.

The Act provides the Auditor-General with flexibility regarding reporting the results of efficiency and economy audits to Parliament. They may be included in the Annual Report produced in accordance with the requirements of subsection 36(1) or they may be the subject of a separate report produced in accordance with section 37 of the Act.

It has been the policy of this Department to include comment on aspects of efficiency and economy regarding audits finalised during the year in the Auditor-General's Annual Report to Parliament produced in accordance with subsection 36(1) of the Act.

During 2001-02 the Department established a dedicated group of officers to undertake reviews of specific matters of public interest. In particular, the specific matters related to procurement reform in the public sector (including tendering and contracting), and the disposal of Crown land. The results of the work undertaken will be the subject of separate reports to Parliament pursuant to section 37 of the Act.

### ***Review of the Adequacy of Controls Exercised by Auditee Agencies***

The responsibility to prepare financial statements and to present them for audit rests with the senior management of each auditee agency. That level of management also has a responsibility to maintain accounting systems which provide a high level of assurance over the accuracy of financial records and which safeguard the assets of the auditee agency. An essential part of achieving this high level of assurance is the implementation and maintenance of a sound system of internal control.

Within the South Australian public sector, this responsibility for internal control systems is mandated in the Treasurer's Instructions, issued pursuant to the Act. Specifically Treasurer's Instruction 2 'Financial Management Policies' requires the Chief Executive of a public authority to ensure that the authority develops, implements and documents policies, procedures and systems which will assist the Chief Executive and the responsible Minister to discharge accountability in relation to the authority's:

- reporting of financial information to users of financial reports;
- application of accounting policies;
- financial management;
- internal control systems;
- business policies and practices;
- compliance with applicable laws and regulations;
- monitoring and controlling risk.

The requirement for the Auditor-General to assess the adequacy of the management approach is found in section 36 of the Act. That section requires the Auditor-General to form and express an opinion as to whether:

*... the controls exercised by the Treasurer and public authorities in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities is sufficient to provide reasonable assurance that the financial transactions of the Treasurer and public authorities have been conducted properly and in accordance with law.*

To satisfy this legislative requirement, the Auditor-General expresses a separate control opinion for the Treasurer and for individual public authorities. These separate opinions are published annually in the Auditor-General's Annual Report to Parliament.

It follows therefore, that the audits of public sector agencies conducted by the Auditor-General must place particular emphasis on the identification, evaluation and testing of each auditee agency's system of internal control. The Department has developed a separate Controls Opinion Methodology, which formalises the processes involved in planning for, conducting and reaching, conclusions with respect to the opinion on internal controls.

At this stage, no external auditor in the private sector formally expresses an opinion on the effectiveness of an auditee agency's structure of internal control.

Indeed the legislative requirement for the Auditor-General to express such an opinion illustrates one of the more significant differences between auditing in the public sector and auditing in the private sector.

The Department's formal methodology has embraced many of the principles identified and reported on by the Committee of Sponsoring Organisations of the Treadway Commission (COSO). The COSO report sets out to establish a common, modern definition of internal control and to provide a standard against which all entities can assess and improve their internal control systems.

Importantly, COSO emphasises that internal control is not limited to expectations with respect to financial controls but it also encompasses the operational and regulatory environments, a fact which aligns the COSO principles with the Auditor-General's statutory mandate.

In accordance with Government objectives to improve performance and to allocate resources more efficiently through improved financial management practices, the Department of Treasury and Finance introduced a Financial Management Framework (FMF). The FMF places an emphasis on agency financial controls,

introduces best practice techniques in financial management, and describes the key attributes of financial accounting.

The underlying principles of the FMF are consistent with the concepts identified and reported on by the COSO. The significant aspects of the FMF have been incorporated in the Controls Opinion Methodology utilised by the Department.

#### ***Examination of the Accounts of a Publicly Funded Body***

When requested to do so by the Treasurer, the Auditor-General is also, empowered to examine the accounts of any publicly funded body.

A publicly funded body is defined in the Act as either an entity constituted under the *Local Government Act 1934* or any body or person carrying out functions of public benefit that has received money from the State by way of grant or loan.

Subsection 32(3) of the Act requires that any report resulting from such an examination be tabled in both Houses of Parliament.

An examination of the circumstances surrounding the redevelopment of Hindmarsh Soccer Stadium was finalised during 2001-02.

On 25 July 2001 a report titled 'Interim Report of the Auditor-General on the Hindmarsh Soccer Stadium Redevelopment Project' was tabled in Parliament.

On 3 October 2001 a report titled 'Final Report of the Auditor-General on the Hindmarsh Soccer Stadium Redevelopment Project' was tabled in Parliament.

#### ***Review of a Summary of a Confidential Government Contract***

Section 41A of the Act requires the Auditor-General, at the request of a Minister, to examine and report on summaries of confidential government contracts.

The Report of the Auditor-General, expressing an opinion on the adequacy of the summary, is to be presented to the requesting Minister and both Houses of Parliament.

During 2001-02 there were no such summaries forwarded to the Auditor-General for examination and report.

## **WHISTLEBLOWER LEGISLATION**

In accordance with guidelines issued by the Commissioner for Public Employment, this Department has identified five senior officers to be 'responsible officers' to receive and action disclosures under the *Whistleblowers Protection Act 1993*.

Where complaints pursuant to the *Whistleblowers Protection Act 1993* are received by the Department, they are investigated.

## **Issues Faced by the Auditor-General's Department During 2001-02**

A number of issues impacted on the operations of this Department during 2001-02.

Some of those issues were brought about by internal changes, some by changed administrative procedures and others occurred as a result of Government policy directives.

### **SPECIAL INVESTIGATIONS**

In December 1999 the Auditor-General received a formal request from the Treasurer of South Australia, pursuant to section 32 of the *Public Finance and Audit Act 1987* to examine and report on dealings relating to the Hindmarsh Soccer Stadium Redevelopment Project. The formal request of the Treasurer was consistent with a request embodied in a motion passed by the Legislative Council in November 1999.

Audit's examination of the Hindmarsh Soccer Stadium Redevelopment Project was extensive, involving:

- Relating in a formal manner with persons and organisations within Government and external to Government to obtain access to accounts, records and documents relating to the redevelopment, operation, financial affairs and management of the Hindmarsh Soccer Stadium.
- Reviewing, cataloguing, analysing and evaluating the contents of all information obtained relative to the Terms of Reference of the examination.
- Conducting formal interviews with various persons to further explore and clarify specific issues that have arisen in the course of the examination.

In July 2001, an Interim Report was presented to Parliament wherein the Auditor-General advised that representations had been made that challenged the Auditor-General's authority

to report in accordance with the Terms of Reference. In order that the matter be put beyond doubt, the Parliament enacted the *Hindmarsh Soccer Stadium (Auditor-General's Report) Act 2001*.

A Final Report on the examination was tabled in Parliament in October 2001.

### **INDICATORS OF WORKLOAD AND PERFORMANCE**

The Auditor-General is appointed as the auditor of public sector agencies by statute. The amount of work required on an audit, to enable an audit opinion to be expressed is determined by professional standards.

The quality of the work carried out by this Department and the value and quality of the output produced in the form of reports cannot be assessed by statistical means alone.

That quality can only be assessed by:

- Subjecting the work undertaken to a professional and independent peer review.
- Obtaining feedback from the users of the reports produced.

Nevertheless statistics can be, and are used to assess the workload and the performance of this Department.

The main measure of performance used is that which relates to the time expended on segments of audits (and on whole audits) compared with that budgeted. The implementation of the Practice Management Information System, has improved the managerial control that can be exercised in that manner.

The table on page 17 provides a summary of some indications of the Department's workload and of its performance for the past two years.

In interpreting those statistics relating to time expended on audits etc, it must be understood that the financial year for most auditees ends on 30 June. By necessity the audit year for those audits usually runs from October until the following September.

It is important to note that the Department, as part of its corporate planning process, is committed to the development of additional performance indicators and

systems to report those indicators. Performance indicators proposed relate to:

- The timeliness and quality of reporting to auditee management on the results of audits.
- Further benchmarking the conduct of audits against both internal and best practice benchmarks in similar jurisdictions.

## STATISTICS RELATING TO AUDITS AND AUDIT TIMES

Workload	2001-02	2000-01
Number of audits undertaken as at 30 June	176	182
Number of Independent Audit Reports issued	178	170
Average number of working days between auditee's end of financial year and issuing of an Independent Audit Report	86	102
Number of management letters issued	241	186
Number of hours expended on conducting audits to 30 June (Excludes audit management hours)	52 953	50 825
Number of hours expended on management of audits	8 633	9 594
Number of hours expended on staff presenting and attending professional development courses	10 184	10 516
Number of hours recorded as leave taken during the financial year	28 557	30 295

### ***Benchmarking***

Currently the Department participates in benchmarking exercises with other audit offices as part of its involvement with the Australasian Council of Auditors-General (ACAG). During the year the Department participated in benchmarking our audit cost/inputs to other audit offices.

It is important to note, however, the performance indicators used in these exercises need to be used with some caution due to the following factors:

- Differences in audit mandates, ie audit offices are required to express opinions on various matters viz:
  - performance indicators;
  - controls exercised by auditees.
- Differences in administrative procedures, ie some offices make extensive use of contractors.
- Differences in geographical size and associated travel costs in some jurisdictions.
- Differences in the way auditees operate, including their organisational structure and the financial systems utilised.

## Corporate Support Services

The Corporate Support Services directorate supports the field audit staff in the discharge of their financial and operational audit responsibilities and assists the Auditor-General in discharging his responsibilities as the Chief Executive Officer of the Auditor-General's Department.

The directorate includes the following functional units:

- Administration and Finance
- Human Resource Management and Development
- Information Technology Support
- Research and Quality Assurance
- Special Projects

### ADMINISTRATION AND FINANCE

#### *Role and Function*

The Administration and Finance section comprises:

#### *Administration Section:*

- Supplies reception and keyboard processing services (including production of the Auditor-General's Reports to Parliament).

- Administers the supply and procurement of office requisites.
- Operates the Department's corporate records management and filing system.
- Maintains the Department's library.

#### *Finance and Accounting Section:*

- Processes payroll and the maintenance of personal classification, salary, superannuation, taxation, flexitime and other leave entitlement records.
- Processes the general ledger, accounts payable, accounts receivable and asset register accounting functions.
- Operates the Practice Management Information System (embracing labour time costing and billing processes).
- Processes occupational health and safety and workers compensation claims.
- Produces internal and external budgetary, statistical and financial monitoring reports (including the Department's annual financial statements, periodic Department of Treasury and Finance reports and taxation returns).



Members of Corporate Support Services.



## ***Achievements***

### *Accounting System*

The general ledger, accounts payable and accounts receivable processing is performed on a networked desktop computer using the South Australian Government mandated ACCPAC System and a SQL database. The Asset Register processing is undertaken using D-Bit application software and a SQL database.

The further automation of revenue processing and budgetary monitoring using the Accounts Receivable module is planned to be completed in the forthcoming year.

The D-Bit Asset Register software is networked and used by different personnel for asset and related security data recording, management reporting and accounting purposes.

### *Treasury Reporting*

The reconciliation of bank account balances and recording of five year budget and current actual figures for the Department and Administered Items is performed on a monthly basis using the Treasury implemented Hyperion database system.

Changes have been made to the ACCPAC accounting system to better align the data and information flows between the two systems.

### *Human Resource Information System*

The Complete Human Resource Information System (CHRIS Five) has been in operation for the past year for payroll and leave processing. It has been approved as the SA Government mandated system and is now being implemented in other government departments.

The upgrade to a new version (CHRIS 21) will be evaluated in the new year along with the implementation of automated workforce

reporting and use of other modules such as Training and Development that are currently operating in other facilities. An evaluation of the Web Kiosk facility for the updating and reporting of personal information will also be undertaken during 2002-03.

### *Practice Management Information System*

The current Practice Management Information System (PMIS) has been in operation for more than seven years. It is used for the recording of employee timesheet data, actual and budgeted time expended on audits and the raising of invoices and recording of audit fee revenue.

A replacement for the current PMIS and further development of the revenue management system will be considered during 2002-03.

### ***Fraud Control Policy***

Management has adequate systems in place that will prevent or detect the occurrence of any fraudulent practices.

No cases of fraud were detected within the Department during 2001-02.

## **HUMAN RESOURCE MANAGEMENT AND DEVELOPMENT**

### ***Role and Function***

The Human Resources section's role is predominantly to facilitate and coordinate the development and implementation of human resource strategies in partnership with the Executive and Managers of the Department.

### ***Achievements***

The achievements of the section and the Department are outlined in the section 'Human Resource Management and Development' on page 25 of this Report.

## INFORMATION TECHNOLOGY SUPPORT

### *Role and Function*

The Information Technology Support section's role is to provide a support/service function relating to all information technology aspects of the Department's operations including:

- Ensuring the continued availability of suitable hardware and software, through designated maintenance, upgrade or replacement program.
- Ensuring adequate hardware, software and networking facilities are available to meet the anticipated user and/or processing demands.
- Evaluating new/upgraded software products and audit applications.
- Providing and supporting the communications and networking/internet requirements of the Department and individual staff.
- Ensuring the continuity, integrity and security of the Department's facilities, infrastructure, network and data.
- Providing ad hoc support, assistance or advice on a day-to-day basis, to all Departmental staff to maximise operational efficiency including.
  - on demand assistance with hardware or software faults;
  - general assistance/instruction for staff in the use of the software and functions available.
- Providing ad hoc support, assistance or advice on a day-to-day basis in the production of reports to Parliament.

### *Achievements*

#### *Hardware Upgrades*

During the year the Information Technology Support Section undertook the replacement of 20 (65%) desktop computers

including the major upgrade of the Department's three primary servers.

Major software and networking upgrades were undertaken simultaneously with the hardware upgrades. The section has also acquired a CD Dupliator with the principal objective being the issue of the current Auditor-General's Annual Reports to Parliament and the Department's Report of Operations, in a digitised form on Business Card CDs.

### *Policy Development*

The Department is highly reliant on data and information that is captured, stored, processed and delivered by computers and their associated communications facilities. Such data and information play a vital role in supporting business processes and customer services; in contributing to operational and strategic business decisions; and in conforming to legal, statutory and professional requirements.

Accordingly the data and information and the enabling technology are important assets that must be protected to a level commensurate with their value to the Department.



Manager Information Technology Support, Graham Pascoe and a member of the Information Technology Support Section.

Recognising this, the Information Technology section being responsible for the development of the Departmental Information Technology Policy within this Department, has issued minor addendums to the Information Technology Policy to all staff.

#### *Software Audit*

In accordance with Departmental Policy, the Information Technology section periodically conducts a software audit of all PCs throughout the year. This includes the identification of software and other files which (while not necessarily illegal) are contrary to Departmental Information Technology Policy and are not approved for installation on the Department's computing or network facilities.

In addition, the software audit includes checks to ensure that the current software/files are installed, particularly the Virus Scanning Software and 'signature' files.

During the year only minor infringements were noted and corrected.

## RESEARCH AND QUALITY ASSURANCE

### *Role and Function*

The Research and Quality Assurance team's charter is to provide a professional research and advisory service to the Executive and staff and to contribute to the continuous improvement of the Department's auditing processes.

The team's specific objectives are to:

- Identify areas for improvement in the efficiency and effectiveness of the Department's auditing operations and methodologies.
- Ensure that effective quality control policies and procedures are in operation.
- Provide professional advice on emerging technical issues and respond to technical discussion papers issued by professional accounting and auditing bodies.
- Provide training to staff on audit methodology and associated auditing tools.



Principal Audit Manager, Research and Quality Assurance Rodi Bergamaschi (on the left) and members of his team.

- Provide a 'hot-line' service to support the users of the Department's specialised audit software.

### *Achievements*

The major achievements over the past twelve month period include, expanding the Departmental training program by conducting focused training on specific areas of the audit methodology and selected accounting issues; progressing the development of a robust quality assurance process; and introducing a financial statements disclosure checklist and database which is used to review compliance with relevant professional reporting disclosure requirements.

### *Audit Methodology*

Over the past few years, the Research and Quality Assurance Team has directly been involved in the detailed analysis of alternative audit working paper software packages and audit methodologies (and associated tools) as applied in both the private and public sector; the selection of the most appropriate packages and audit methodology; and then managing and coordinating their implementation through the Department.

As previously reported in the 1998-99 financial year, the Department implemented the Deloitte Touche Tohmatsu (DTT) AuditSystem/2 (AS/2) Document Manager package. In the same year, a review of audit methodologies applied in both the private and public sectors was undertaken and the DTT AS/2 audit approach was assessed as the preferred option. It was decided to enter into negotiations to further evaluate this audit methodology on 'live clients'. This evaluation process was undertaken in order to assess the appropriateness and applicability of the methodology and audit software support packages, and whether they could be successfully integrated within the Department.

The review process proved both successful and of great benefit to the Department and a decision was made to acquire and implement the AS/2 audit methodology over a two year process. The Department named the AS/2 audit methodology 'AGES', an acronym for Audit Guidance and Evaluation System. This represented an important step in taking ownership of the product and making it our own.

In the 1999-2000 financial year, five audit field sections were trained in AGES and successfully applied the methodology over a wide range of agency types. In the following year the remaining audit field sections were trained in the audit methodology and also successfully implemented the new methodology on their respective audit portfolios.

The 'phase in' implementation concept was designed to allow us to adopt the DTT audit methodology and refine that approach where necessary so as to cater for our specific public sector requirements. This was particularly the case with respect to integrating the audit work required to satisfy the financial attest and controls opinion mandates. The framework for the integration of this work was completed and implemented this year.

It is expected that the audit methodology will improve the Department's service delivery by focusing on adding value to the operations of Government and its agencies.

This improvement is expected in both the quality of service provided and efficiencies in its delivery. The new methodology is a key enabler in improving audit outcomes and to better service stakeholder and staff needs.

In May 2001 the Department engaged the services of DTT to undertake a review of selected audit files with the principal

purpose of assessing the progress made in implementing the methodology.

Overall the review highlighted that significant progress had been made in implementing the methodology. The review also highlighted some areas where staff required further assistance to better apply the principles of the methodology. This resulted in specialised and focused training courses being held during the year. This was further supplemented with the preparation and issue of a number of guidance papers explaining various key concepts of the methodology.

#### *Quality Assurance Reviews*

To achieve our corporate objective of performing professional independent audits of the accounts of the Treasurer and the accounts and operations of public sector agencies, the Department, in its Corporate Plan, is committed to ensuring that quality control is exercised over all phases of the audit process.

The Department is currently in the process of developing a revised comprehensive and robust quality assurance framework covering the financial attest and control opinion aspects of the audit methodology, including defining the roles of senior management and the Research and Quality Assurance Team, and with emphasis on embedded quality processes supplemented by post audit review procedures.

One of the strategies forming part of this framework is the establishment of a program of independent quality assurance reviews of agency audits. These reviews will focus on reconsidering the audit strategy applied in undertaking the audit, including the assessment of whether the planned strategy adequately catered for audit risk, was executed in accordance with that risk assessment and whether an appropriate audit opinion had been expressed for both the Financial Attest and the Controls Opinion audits. Consideration will also be

given to the requirements of the professional auditing standards and Departmental policies.

DTT will take a lead role in facilitating the Department undertaking such reviews of selected audit files. However, with the methodology now in its third year of implementation and with officers within the Department being more experienced and familiar with the approach, considerably more Departmental resources will be used in undertaking these reviews.

This will give greater ownership of the process to the staff themselves and allow a more detailed review to be undertaken.

#### *Audit Software Tools*

The Department recently acquired a financial statements disclosure checklist and database. The checklist and database are used to review compliance with relevant disclosure requirements of the Australian Accounting Standards and other mandatory professional reporting requirements (for example, Urgent Issues Group Consensus Views). During the year we then developed a database to supplement this information and to cover any additional disclosure requirements that are specific to the public sector.

#### *Staff Development*

The Department places a high priority on ensuring that all employees are properly trained and kept informed of major developments in the accounting and auditing profession so that each person is able to operate at a high level of proficiency.

The training and development of staff within the Department has been critical in developing the intellectual capital of the organisation. The continued maintenance and upgrading of knowledge and skills has contributed to a highly competent, professional and committed workforce.

To ensure success, it is imperative that a professional training and development

program commence from the time a graduate first enters the Department and continues through to all levels up to and including senior management. As part of the graduate induction course, the Research and Quality Assurance Team is responsible for training all graduates in the audit methodology and audit tools used by the Department.

One of the new initiatives implemented this year was the engagement of an external contractor to conduct a series of accounting seminars designed to upskill and update staff on selected accounting principles and developments, and to stimulate conversations on topical accounting issues of the day.

As part of staff development, the Research and Quality Assurance Team also regularly provides all employees information affecting their work. This information has included details of:

- the implementation of the AGES methodology within the Department;
- new and revised accounting and auditing standards;
- significant developments within the public sector that may have audit implications;
- progress made with respect to projects undertaken by the RQA Team.

This information is now available through a centralised network system making it even easier for staff to access the information in a more user friendly and convenient manner.

## SPECIAL PROJECTS

### *Role and Function*

The role and function of the Special Projects section is to:

- Provide high quality and value added services including accommodation.

- Develop communication strategies.
- Provide administrative support to the Auditor-General and staff.
- Provide information, instruction and training related to appropriate OHS&W aspects.
- Enhance corporate services within the Department.
- Maintain effective liaison with external bodies.

### *Achievements*

The Special Projects section has been instrumental in facilitating and providing quality support to the Auditor-General and staff including:

- Co-ordination of the preparation of the report on the operations of the Auditor-General's Department.
- Regularly monitoring health and safety issues.
- Increasing staff awareness, education in health safety programs.
- Encouraging influenza vaccinations funded by the Department.

In addition, the section has fostered good working relationships and effective lines of communication with both internal and external bodies.

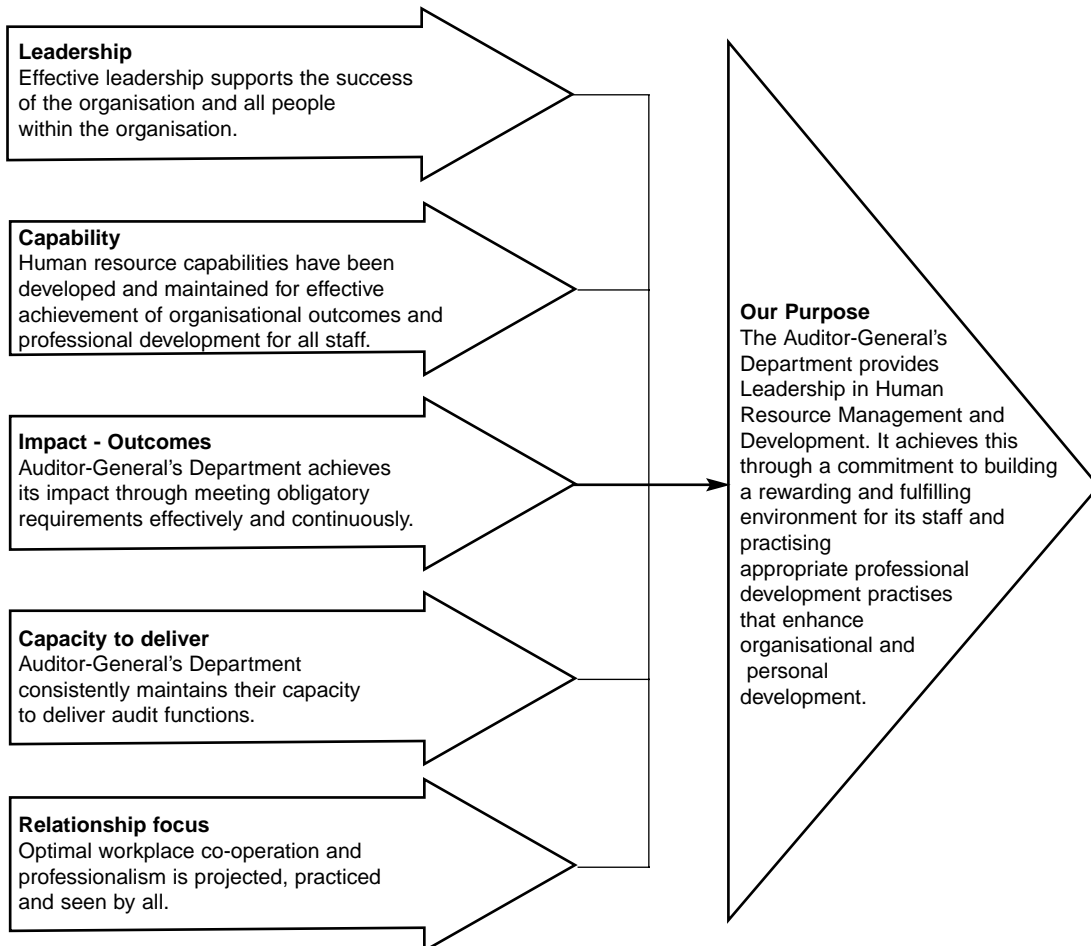
## Human Resource

# Management and Development

### HUMAN RESOURCE MANAGEMENT STRATEGIC PLAN

The core human resource management strategies of the department are defined within the Corporate Plan and are supported by a robust Human Resource Management Strategic Plan.

The following information highlights the goals, achievements and future strategies that form part of the Human Resource Management Strategic Plan implementation process as represented below.



## LEADERSHIP

### *Communication Strategy*

**Outcome**

*Management team take effective leadership and ownership to support the achievement of the Department through agreed communication processes.*

#### *Achievements*

The Department recognises the importance of improving internal communication processes covering a range of matters associated with the general and audit responsibilities and, has conveyed this message in its Corporate Plan.

A revised model of internal communication and consultation was established in the form of a quarterly Ideas Forum for all staff. These forums are supported by monthly Senior Management Group and Section meetings and provide the opportunity for the interchange of information, advice and opinions relevant to the Department's operations.

#### *Outlook*

In the forthcoming year the Department will evaluate the revised communication and consultation forums to enable the continuous improvement in communication processes within the Department.

### *Competency Development*

**Outcome**

*To adopt a purpose-built competency-based approach as a basis for monitoring and measuring human resource and departmental effectiveness.*

#### *Achievements*

The development of competencies has been a priority area for implementation in the past year. Competency dictionaries have

been developed for all Field Audit and Corporate Service positions within the Department. The Competency Dictionaries were developed to provide the key criteria to assess past performance and determine key development goals for individuals for the future. Development of these competencies has occurred in close consultation with staff and a validation interview process used to ensure applicability. These competency profiles have been developed within the performance management project framework and will be implemented as part of this project.

#### *Outlook*

The Competency Dictionaries will be integrated into Human Resource processes and practices over the coming year. An implementation plan will be developed to integrate the competency profiles into the progression criteria, recruitment and selection and training and development.

### *Performance Management*

**Outcome**

*Personal performance management systems and processes have been established to enhance staff development.*

#### *Achievements*

During 2001-02 Performance Management Review and Development tools and processes were developed. The purpose of performance management in the Department is to increase the organisation's and individual's capacity and capability to achieve the strategic plan outcomes as outlined in the Corporate Plan. A Performance Management Reference Group comprising Executive and Staff representation was established, and this group has had the primary role in the development and implementation of the performance management system.



The project has engendered staff commitment from the beginning as a result of conducting focus groups and targeted interviews which provided information on employee performance needs, ideas and options for development. The system has been purpose built for the Department with a major focus on the purpose as defined above and the outcomes of the focus groups.

The performance management process has been developed around an annual 12 month and 6 month review and development planning process. The project is currently being trialled by three sections in the Department to test the tools and the processes. Feedback from all participants in the trial is being integrated into the system ready for implementation across the whole Department.

*Outlook*

The Department will continue to focus on the implementation of the personal performance management systems with the implementation of a new system scheduled for October 2002.

**CAPABILITY**

*Professional Development*

**Outcome**

*Training and development processes support, measure and develop staff capabilities.*

*Achievements*

Within the capability strategic results area the following activities have been the focus:



Members of the Performance Management Reference Group.

### *Professional Development*

The Department attaches particularly high importance to the development and training of its employees in order to achieve its corporate goals. Training and development was identified as a key priority strategy in the Human Resource Management Strategic Plan. The percentage of training expenditure relative to total employee remuneration costs represents 8.6%.

The 2001-02 Professional Development Program was based on the responses to a Training Needs Analysis conducted during the year. The Program for this year was redeveloped with a "new look" and was divided into three key development categories; Professional, Personal and Management. Professional development focused on the technical training necessary for employees to do their job. Personal development focused on those skills and knowledge which would equip employees to perform their job. The Management category encompassed all leadership and management development.

The program emphasised a range of training, development and learning activities for the varied and changing needs of the Department and its employees. The courses included in the Professional Development Program are detailed in Appendix B.

As part of that program the Department presents a series of professional workshops which update all employees on technical issues and developments in the industry.

The program was supplemented with employees attending external courses, conferences and seminars to assist the Department's business needs. Appendix C lists the external training courses attended by employees.

The three main areas for training (both internal and external) were:

- audit methodology (6 898 hours);
- leadership and management (3 010 hours);
- general financial management (2 378 hours).

### *Leadership and Management Development*

The Department is committed to providing support to staff in the continued development of their leadership and management skills. Total leadership and management development training expenditure for 2001-02 was \$124 000. This expenditure represents two percent of total employee remuneration expenditure.

The Department continued to fully support three managers this year in their participation in the University of Adelaide's Professional Certificate in Management. This program has provided these managers with the opportunity to develop their strategic thinking capabilities and translate these skills into action within the workplace.

Last year the Department made a commitment to support all Auditor Grade II and equivalent staff in the Department to undertake the First Line Management Program conducted by the Commissioner for Public Employment as part of the Leadership SA initiative. Seven employees are currently participating in the program and expect to complete the program within the next six months.

In addition, the Department provided targeted leadership and management development for the senior management group. Forty eight managers and deputy managers from the Senior Management Group participated in a development centre. The development centre specifically looked at the key competencies required for this group in the area of 'establishing good

communication processes within a team'. The outcome of this process has been the development of individual, targeted development plans for each of the participants. Development trends were also identified for the group and will be captured in the 2002-03 Professional Development Program.

#### *Education Assistance*

The Department continued to provide further career development opportunities to its employees through study time assistance and fee reimbursement to designated courses.

The Department has a strong link with CPA Australia and supports the CPA Program. Staff undertaking the Program receive reimbursement of fees upon successful completion of subjects. The Department

implemented a new CPA study assistance policy which supports staff in successfully completing their study.

During the year the reimbursement of fees totalled \$26 000, whilst study time totalling 447 hours was granted.

#### *Employee Tertiary Qualifications*

The Auditor-General's mandate encompasses a broad range of government departments, statutory authorities and government owned companies. To effectively discharge this audit mandate, it is essential its employees possess tertiary and post-graduate qualifications.

The table below outlines the main tertiary qualifications held by employees in the Department.

### EMPLOYEE TERTIARY QUALIFICATIONS

Qualifications	Number
Bachelor of Arts (Accountancy)	16
Bachelor of Accountancy	10
Bachelor of Economics (Accountancy)	8
Bachelor of Economics	7
Bachelor of Business (Accountancy)	4
Bachelor of Commerce	42
Other Degrees	21
Diploma in Accountancy	7
Other Diplomas	16
Certificates	9

#### *Professional Bodies/Institutions*

As would be expected of a professional department, most of the employees are members of professional bodies and some employees are members of more than one professional body.

The Department supports and encourages employees to attain professional accreditation with CPA Australia, (CPA status) and participate on special interest committees and working groups associated with the South Australian Division of CPA Australia.

Seventy-three employees are members of CPA Australia. Three of these employees hold the designation of Fellow of that professional body. In addition one employee holds a fellowship in the Institute of Chartered Accountants in Australia. Five employees are members of other professional bodies.

The names of all employees in the Department, their tertiary qualifications and membership status are listed in Appendix D.

The overall outcomes of these activities are that:

- Training and development processes support, measure, motivate and develop staff capabilities.
- A high level of employee professionalism is maintained.

*Outlook*

The Department is continually adapting the Professional Development Program to best fit the strategic direction of the Department and the needs of employees.

**Managing Diversity**

**Outcome**  
*Managing Diversity is practiced effectively throughout the Department.*

*Achievements*

The Department continues to demonstrate its commitment to managing diversity through the implementation of new initiatives and the ongoing review of existing policies and practices.

In response to the Government's continued promotion of flexible working arrangements, during 2001-02 the Department developed and implemented a purchased leave policy, to be trialled for two years. This policy was implemented in response to interest from employees in having access to other flexible working arrangements.

The part-time policy was also reviewed and refined after being implemented two years ago. The Department continues to support employees to work part-time. The Department also allows employees to bank flexitime during the Audit Report period, to assist employees to better balance work and life demands.

*Outlook*

The Department will continue to review and integrate policies and procedures to ensure that it complies with legislative requirements.

**IMPACT - OUTCOMES**

*Key Performance Indicators*

**Outcome**  
*Development of key performance indicators.*

*Achievements*

As a service provider, the provision of efficient auditing services is an important objective of the Department. As such, it is important that the Department finds ways to measure its performance. While the Department measures its performance in a number of ways (refer to page 16 of this report), to further satisfy this need for measurement, the Department established a committee to develop appropriate Key Performance Indicators that meet the needs of our clients and our objectives.

In developing the Key Performance Indicators, it was important that there was a link to the corporate planning process undertaken by the Department. The Key Performance Indicators were developed on the balanced scorecard approach, with the identification of core processes which link resource management, learning and other key processes at the strategic level.

The committee submitted a paper to the Department's Executive recommending a series of key performance indicators that are appropriate for our Department. The Executive have endorsed the approach recommended by the Committee and have included the implementation of the Key Performance Indicators as a strategy on the Department's Risk Management Plan.

#### *Outlook*

The Department's Executive, as part of the risk management process, will develop an implementation strategy for the proposed Key Performance Indicators and progressively implement the Key Performance Indicators throughout the Department.

## **CAPACITY TO DELIVER**

### ***Recruitment, Selection and Placement***

#### **Outcome**

*Recruitment, selection and placement processes are reviewed and updated.*

#### *Achievements*

A major component of the Department's recruitment and workforce planning strategy is its Graduate Recruitment Program. Graduate recruitment represents a valuable source of new employees for the Department. The Department's ability to attract appropriately qualified high calibre graduates relies on its capacity to compete

with private sector organisations in a highly competitive marketplace.

The Department has continued to improve its graduate recruitment strategy and this year launched a new graduate information package designed specifically for the target market. The response to this year's graduate strategy is reflected in the number of applications received when advertising for graduate positions and reflects the Department's success in promoting itself as an appealing employer that offers diverse opportunities for graduates. During 2001-02 the Department appointed fifteen Graduates.

Graduates are appointed under the *Public Sector Management Act 1995* and are initially employed on a twelve month probationary period. During this period, the graduate's manager completes four structured performance assessments to evaluate the graduate's work performance. The performance appraisal process has been revised as part of the development of a formal performance management system for the whole Department. It is expected that this new system will be implemented in October 2002.

The Department continues to be recognised for its comprehensive Graduate Training Program. The program comprises a range of modules which address areas of accounting and financial system operations and controls, auditing practice and methods and the development of personal skills and capabilities. Feedback from past graduates has indicated that the Department's training program forms an integral part of their graduate year.

Each training module will integrate elements of formal training sessions, on the job training and evaluation of training achievements. This approach will ensure that the relevance and practical focus of the training is maintained.

*Outlook*

The Department will continue to focus on mechanisms used to attract graduates through the continued implementation of the recommendations contained in the marketing plan to enhance the graduate recruitment cycle.

The training modules that have been prepared, along with the continued preparation of course materials for the formal training sessions will be integrated into the graduate training and development cycle for all graduates commencing in January 2003.



Graduates from the Year 2002 Intake.

**GRADUATES RECRUITMENT AND PLACEMENT**

	2002-03	2001-02	2000-01
Number of applications	150	98	119
Number selected for interviews	41	39	40
Number appointed up to 30 June	11*	15	13

\* Graduates due to commence in January 2003

**Induction****Outcome**

*Induction processes are reviewed and updated.*

**Achievements**

All new employees participate in an induction program and receive an induction package which supports the information delivered during the induction program. The initial induction program is generally conducted over a four day period and facilitated by members from various sections within the Department. The information delivered during the induction program covers topics such as the structure of government, internal organisational structure, roles of specific sections within the Department, information technology, familiarisation with the audit process and specialised software packages. The induction package can be relied upon during and after the course as a general reference.

A twelve month training program has been established for graduates to support their initial induction and covers issues such as ergonomics, interpersonal communication and understanding key financial systems. This training program corresponds with the modular approach developed by the Department's Graduate Training Program Work Group.

**Outlook**

The Department will continue to conduct its comprehensive induction program and 12 month training program. The structure of these programs will be based on the number of graduates employed, the amount of time required for methodology training, and the section or area of the Department they will

be joining. Graduates learning will be enhanced through on-the-job training and practical experience. The format and structure of these programs will continue to be evaluated and reviewed on an annual basis.

**Workforce Profile****Outcome**

*Current and future needs are assessed to determine future resource requirements.*

**Achievements**

The Department collects a range of workforce statistics. These statistics provide the means of profiling our current workforce and comparing previous years statistics.

**Employee Classifications and Numbers**

The Department has an approved staffing establishment of 109 full time equivalents (FTE), including the Auditor-General's position.

As at the last pay day in June 2002, the Department employed 109 employees representing 106 FTE.

The tables on pages 35-36 provide a broad profile of our employees with emphasis on employee movements, age profiles and work experience profile.

**Employee Turnover and Movements**

On average employee FTE for 2001-02 was 104 (100.0) and rate of employee turnover for the financial year was 28 percent (21). The turnover has been primarily among audit employees. Employees of this Department are still sought frequently by other public and private sector organisations.

The Department has a policy which encourages all employees leaving the organisation, on either a temporary or permanent basis, to participate in an exit interview process. This provides management with one mechanism of monitoring departmental and staff needs and in identifying the principle reasons for employee turnover within the Department.

During 2001-02 the major reasons employees gave for leaving the Department were:

- career and personal development;
- job challenge;
- improved promotion opportunities; and
- career change.

As a result of the significant levels of staff turnover within the Department an analysis

of staff turnover and the strategic impact of this on the management of human resource capability within the Department was conducted. This report identified a number of key strategies for managing employee turnover.

The strategies identified in that report are to form part of an implementation plan that promotes a number of key strategies to assist in combating the high levels of turnover in the Department. As a result of this report a project group was formed to develop mechanisms to further assess employee turnover and the strategic impact of this on the management of human resources. The project group is in the process of developing a staff survey to gather more information to assist in the development of strategies to manage turnover.





**EMPLOYEE MOVEMENTS**  
(Excludes Auditor-General)

	2001-02		2000-01	
Staff Employed 1 July		109		112
Losses:				
Retirements	-		1	
Resignations	12		9	
Appointments/Assignments to other public sector agencies	7		7	
Temporary Assistance Ceased	2		-	
Youth Traineeship Completed	1		-	
Reassignment	1		2	
Leave Without Pay	7		2	
Other	-		2	
Total Cessations		(30)		(23)
Gains:				
Appointments/Assignments from other public sector agencies	1		4	
External appointments	19		14	
Return from Leave Without Pay	8		1	
Return from reassignment	1		-	
Youth Traineeship Commenced	-		1	
Other	1		-	
Total Commencements		30		20
<b>Staff Employed 30 June</b>		<b>109</b>		<b>109</b>

**PUBLIC SECTOR MANAGEMENT ACT EMPLOYEES**  
(Excludes Auditor-General)

Stream	Contract						Contract			Total		
	Ongoing			Long Term			Short Term			Total		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
ADMINISTRATIVE												
Administration												
Services Officers												
ASO1	1	-	1				-	1	1	1	1	2
ASO2	3	2	5				3	11	14	6	13	19
ASO3	6	12	18							6	12	18
ASO4	9	10	19							9	10	19
ASO5	6	6	12							6	6	12
ASO6	7	4	11							7	4	11
ASO7	9	2	11							9	2	11
ASO8	9	3	12							9	3	12
<b>Total ASOs</b>	50	39	89	-	-	-	3	12	15	53	51	104
Executive - Level B*				5	-	5				5	-	5
<b>Grand Total</b>	<b>50</b>	<b>39</b>	<b>89</b>	<b>5</b>	<b>-</b>	<b>5</b>	<b>3</b>	<b>12</b>	<b>15</b>	<b>58</b>	<b>51</b>	<b>109</b>

\* All Executives have a right to be appointed to a further position in the public sector at the end of a limited term appointment.

No casuals nor any employees with a permanent disability were employed as at 30/6/2002.

*Work Experience Profile*

At 30 June 2002 the average work experience of employees in the Department was eight years and six months compared to eight years and one month at 30 June 2001. The slight increase can be attributed to the relative stability of the workforce at the middle management levels.

**WORK EXPERIENCE PROFILE  
(Excludes Auditor-General)**

Years of Service	0<3	3<6	6<11	11<16	16<21	21+	Total
Number of Employees with Work Experience:							
• Auditor-General's Department	44	21	9	15	6	14	109
• Public Sector	42	21	9	13	7	17	109

*Age Profile of Employees*

At 30 June 2002 the average age of the Department's employees was 33 years and 4 months compared to 33 years as at 30 June 2001. Approximately two thirds of the staff, (63.3 percent), are under 35 years of age.

**AGE PROFILE OF EMPLOYEES  
(Excludes Auditor-General)**

Age Group (Years)	Number of Males	Number of Females	total Employees	%of all Employees	% Australia Workforce <sup>(1)</sup>	% Australia Population <sup>(2)</sup>
15-19	0	0	0	0	8.0	7.0
20-24	9	21	30	27.5	11.4	7.1
25-29	7	15	22	20.2	11.9	7.5
30-34	13	4	17	15.6	11.9	7.5
35-39	9	9	18	16.5	11.8	7.6
40-44	5	1	6	5.5	12.3	7.6
45-49	5	1	6	5.5	11.5	7.0
50-54	5	0	5	4.6	9.9	6.6
55-59	4	0	4	3.7	6.7	5.1
60-64	1	0	1	0.9	3.1	4.1
65 +	0	0	0	0	1.6	12.5
<b>TOTAL</b>	<b>58</b>	<b>51</b>	<b>109</b>	<b>100.00</b>		

(1)ABS Supertable C2 as at April 2002

(2)ABS 3201.0 as at June 2001 (Exc. 0-14 Years - 20.4%)

*Outlook*

In the next year a workforce analysis will be undertaken to identify future needs and demands of the organisation taking into account future trends.

## OCCUPATIONAL HEALTH, SAFETY AND WELFARE

### **Outcome**

*An occupational safe, healthy workplace environmental for employees*

#### *Employee Assistance Program*

This program provides staff and management with a proactive support mechanism for meeting personal needs and work performance objectives.

#### *Employee Health and Wellbeing*

Health and wellbeing seminars and exercise programs are held for the benefit of all staff. The seminars focus on personal health management strategies to assist staff in coping with the demands of intensive work periods.

#### *Occupational Health, Safety and Welfare*

The Occupational Health, Safety and Welfare (OHS&W) Committee consists of twelve members with equal management and staff representation. The committee meets regularly to:

- Progressively review OHS&W policies and procedures.
- Monitor health and safety issues.
- Assess employees' awareness and education on health and safety matters.
- Implement strategies to eliminate or minimise OHS&W risks, and hazards.
- Monitor the implementation and achievement of the OHS&W annual action plan.

The OHS&W Policies and Procedures Manual is stored in a network computer facility that can be accessed by all employees located within the Department or at remote work sites. The entire manual is reviewed and updated on a progressive basis during the year.

The Department, as part of its pro-active program to promote a healthier work environment for employees, arranged a Flu Vaccination Program. Thirty percent of staff took the opportunity to receive a cost free vaccination.

#### *Worksite Inspection*

Inspection reporting for temporary and permanent worksites is integrated within the audit reporting process. Computer workstation checklists, relating to ergonomic, environmental and facilities assessments are completed annually.

#### *Performance Review*

External consultants were engaged to supply:

- An independent OHS&W legislative compliance and OHS&W management systems audit.
- Specified OHS&W training sessions.
- Advice and recommendations relating to the annual review and update of the OHS&W Action Plan.

There were no significant matters arising from the OHS&W legislative compliance audit, or the OHS&W management systems audit and the consultant provided an excellent overall rating.

The OHS&W Committee has produced an OHS&W Audit tool for the review and recording of legislative compliance, objectives, targets and performance measures.

#### *Workers Rehabilitation and Compensation*

One workers' compensation claim was received during the year.

The premium paid for workers compensation insurance for 2001-02 was \$1 700 (\$2 000).

## OCCUPATIONAL HEALTH, SAFETY AND WELFARE STATISTICS

		2001-02	2000-01	1999-2000
<b>1</b>	<b>OHS&amp;W Legislative Requirements:</b>			
	Number of notifiable occurrences pursuant to OHS&W Regs. Div 6.6	Nil	Nil	Nil
	Number of notifiable injuries pursuant to OHS&W Regs, Div 6.6	Nil	Nil	Nil
	Number of notices served pursuant to OHS&W Act s35, s39, and s40	Nil	Nil	Nil
<b>2</b>	<b>Injury Management Legislative Requirements:</b>			
	Compliance with Schedule 4, Claims & Registration for Exempt Employer Regulations of the WRC Act	Yes	Yes	Yes
	Number of employees who participated in a rehabilitation program	1	Nil	Nil
	Number of employees rehabilitated and reassigned to alternative duties	Nil	Nil	Nil
	Number of employees rehabilitated back to original work	1	Nil	Nil
<b>3</b>	<b>WorkCover Action Limits:</b>			
	Number of open claims	1	Nil	1
	% workers compensation expense of gross annual remuneration	0.01	0.02	0.01
<b>4</b>	<b>Number of Injuries</b>			
	Number of new workers compensation claims for the reporting period	1	Nil	Nil
	Number of fatalities, lost time injuries, medical treatment only	Nil	Nil	Nil
	Number of whole working days lost	8	Nil	Nil
<b>5</b>	<b>Cost of Workers Compensation:</b>			
	Cost of new claims for financial year	\$296	Nil	Nil
	Cost of Workers Compensation Insurance	\$1 726	\$2 006	\$10 400
	Cost of all claims excluding lump sum payments	\$296	\$1 188	\$735
	s42, s43, s44 lump sum payments (Paid by the Department)	Nil	Nil	Nil
	Total amount recovered from external sources (s54)	Nil	Nil	\$735
	Budget allocation for workers compensation (Insurance Premium)	\$2 500	\$11 000	\$14 500
<b>6</b>	<b>Trends</b>			
	Lost time injury frequency per million hours worked	Negligible	Nil	Nil
	Most frequent cause of injury	Back injury	None	None
	Most expensive cause of Injury	Back injury	None	None
<b>7</b>	<b>Meeting OHS&amp;W Strategic Targets</b>			
	Achievement of OHS&W action plan (Independent Audit Assessment)	Excellent	Excellent	Not Rated

*Sick Leave and Family Carers Leave***SICK LEAVE AND FAMILY CARERS LEAVE**

	2001-02	2000-01	1999-2000
Average FTE sick leave days per employee	5.1	5.6	4.9
Average FTE family care leave days per employee	0.21	0.19	0.10

*Outlook*

Occupational Health, Safety and Welfare awareness culture and systems will continue to be integrated into the work environment. This includes taking proactive and preventative actions such as the conduct of regular health and wellbeing and other educational or training seminars.

**SOCIAL CLUB**

The Social Club Committee manages activities and functions for its members, including an Annual Dinner, Christmas Picnic, Cricket Match, Golf Day, Quiz Night, Netball Team and regular happy hours.

These activities are fully funded by staff member subscriptions and provide an opportunity for greater staff interaction than exists during the course of daily operations.



Members of the Audit Office Social Club.

## Commentary on Financial Results

### FUNDING OF DEPARTMENT

The Department operates on funds appropriated by Parliament from the Consolidated Account.

Estimates of annual accrual expense and any capital requirements of the Department are submitted through the Department of Treasury and Finance to Parliament.

Audit fees received from public sector agencies are accounted for as an Administered Item and are paid into the Consolidated Account.

### STATEMENT OF OUTPUTS

#### *Output Class Descriptions*

The Department's sole output class is the provision of auditing services covering all of the audit responsibilities prescribed under the *Public Finance and Audit Act 1987*.

Within this class there are two outputs:

#### *Prescribed Audits*

An annual audit covering the areas prescribed by the *Public Finance and Audit Act 1987* is conducted for agencies required to be audited.

#### *Special Investigations*

The Auditor-General may be requested in any given year to undertake Special Investigation's work including:

- Undertaking work associated with conducting and reporting on special investigations when requested by the Parliament or Treasurer.
- Reviewing summaries of confidential government contracts and reporting on the adequacy of the document as a summary of the contents of the contract when requested to do so by a Minister.

Consistent with the legislative requirement of audit independence, the reports must be presented directly to the Parliament.

One special investigation project was carried forward into the current year, being the Hindmarsh Soccer Stadium Redevelopment Project.

In July 2001 an Interim Report on the Hindmarsh Soccer Stadium Redevelopment Project was presented to Parliament. The Final Report on the Hindmarsh Soccer Stadium Redevelopment Project investigation was subsequently tabled in Parliament on 3 October 2001.

### FINANCIAL PERFORMANCE – ACTUAL vs BUDGET

The following table discloses the financial performance of the Department on an accrual basis exclusive of goods and service tax.

Item	2001-02 Budget \$'000	2001-02 Actual \$'000	2001-02 Variance \$'000
Auditing Services Expense	9 275	9 160	(115)
Administered Revenue-Audit Fees	7 690	7 700	10

## CONTRACTED AUDITS

The Auditor-General contracts a number of audits to the private sector where specialist audit skills are not available within the Department. The key criteria is to provide a professional audit in the most efficient and cost effective manner.

During 2001-02, payments totalling \$671 000 (\$664 000) were made for contracted audits.

The Auditor-General has responsibility for the contracted audits and senior audit staff review the plans prepared by the contracted auditor and exercise quality control over the work performed. At the conclusion of the audit the Auditor-General issues the Independent Audit Report on the financial statements.

## CONSULTANTS

The Department engages external consultants to assist in the fulfilment of the Auditor-General's statutory audit mandate and to use skills that are not available within the Department. The expenses associated with consultancies amounted to \$356 000 during 2001-02 (\$1 110 000).

Included within these expenses is amounts totalling \$204 000 (\$992 000) relating to consultants engaged in the conduct of Special Investigations.

The following table provides details of the consultancies utilised by the Department in discharging its statutory obligations.

Item	Details	\$
<b>Consultancies less than \$10 000</b>	16 Consultancies (Prescribed Audits and Special Investigations)	39 000
<b>Consultancies \$10 000 - \$50 000:</b>		114 000
Deloitte Touche Tohmatsu	Audit Methodology Implementation	
K J Bockmann Consulting	Annual Audit Report	
Flinders University Law School	Framework for E-Commerce	
The Learning Revolution	Performance Management System	
Leadership Solutions	Competency development	
Australian Government Solicitor	Legal advice	
<b>Consultancies above \$50 000</b>		203 000
Fisher Jeffries	Hindmarsh Soccer Stadium (Special Investigation)	
<b>Total Consultancies</b>		<b>\$356 000</b>

## PAYMENT OF ACCOUNTS

The following table provides an analysis of the timing of payments to creditors during 2001-02.

Particulars	Accounts Paid		Accounts Paid	
	Number	Percentage	Value (\$'000)	Percentage
Paid by the due date	1 123	88	2 910	82
Paid late less than 30 days after due date	121	10	484	14
Paid late more than 30 days after due date	31	2	143	4
<b>Total</b>	<b>1 275</b>	<b>100</b>	<b>3 537</b>	<b>100</b>

# Financial Statements

## Statement of Financial Performance for the year ended 30 June 2002

	Note	2002 \$'000	2001 \$'000
<b>EXPENSES FROM ORDINARY ACTIVITIES:</b>			
Employee entitlements	1.3	5 351	5 220
Employment on-costs		954	1 013
Administration expenses, minor equipment and sundries		780	654
Contract audit fees		671	664
Accommodation and service costs		561	504
Consultancies		356	1 110
Depreciation	1.4, 5.2	279	269
Staff development and training		209	213
(Profit) Loss on disposal of assets	4	(1)	30
<b>Total Expenses</b>		<b>9 160</b>	<b>9 677</b>
<b>REVENUES FROM ORDINARY ACTIVITIES:</b>			
Interest		132	-
Other income		3	2
<b>Total Revenues</b>		<b>135</b>	<b>2</b>
<b>NET COST OF SERVICES</b>		<b>9 025</b>	<b>9 675</b>
<b>REVENUES FROM GOVERNMENT:</b>			
Recurrent appropriations	3	9 232	9 654
<b>NET SURPLUS (DEFICIT)</b>		<b>207</b>	<b>(21)</b>
<b>TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH THE STATE GOVERNMENT AS OWNER</b>		<b>207</b>	<b>(21)</b>

## Statement of Financial Position as at 30 June 2002

	Note	2002 \$'000	2001 \$'000
<b>CURRENT ASSETS:</b>			
Cash	1.7, 8.1	940	596
Receivables	1.7	116	131
<b>Total Current Assets</b>		<b>1 056</b>	<b>727</b>
<b>NON-CURRENT ASSETS:</b>			
Computer and office facilities	1.4, 5	1 460	1 338
Accumulated depreciation	1.4, 5	(971)	(870)
<b>Total Non-Current Assets</b>		<b>489</b>	<b>468</b>
<b>Total Assets</b>		<b>1 545</b>	<b>1 195</b>
<b>CURRENT LIABILITIES:</b>			
Creditors and accruals	1.7	43	77
Cash advance - Imprest accounts	1.7	3	3
Employee entitlements	1.3, 6	586	534
Employment on-costs		145	118
<b>Total Current Liabilities</b>		<b>777</b>	<b>732</b>
<b>NON-CURRENT LIABILITIES:</b>			
Employee entitlements	1.3, 6	1 136	1 045
Employment on-costs		148	141
<b>Total Non-Current Liabilities</b>		<b>1 284</b>	<b>1 186</b>
<b>Total Liabilities</b>		<b>2 061</b>	<b>1 918</b>
<b>NET ASSETS</b>	7	<b>(516)</b>	<b>(723)</b>
<b>EQUITY:</b>			
Opening balance - Deficit		(723)	(702)
Increase (Decrease) in net assets		207	(21)
<b>TOTAL EQUITY</b>	7	<b>(516)</b>	<b>(723)</b>



## Statement of Cash Flows for the year ended 30 June 2002

	Note	2002 Inflows (Outflows) \$'000	2001 Inflows (Outflows) \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
PAYMENTS:			
Employee entitlements		(5 196)	(5 231)
Employment on-costs		(920)	(1 033)
Goods and services		(2 848)	(3 459)
Goods and services tax on investing activities		(30)	(29)
RECEIPTS:			
Interest		132	-
Other income		3	2
Goods and service tax refunds		270	212
CASH FLOWS FROM GOVERNMENT:			
Recurrent appropriations	3	9 232	9 654
<b>Net Cash provided by Operating Activities</b>	8.2	<b>643</b>	<b>116</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of computer and office facilities		(358)	(426)
Disposal of computer and office facilities		59	49
<b>Net Cash used in Investing Activities</b>		<b>(299)</b>	<b>(377)</b>
<b>NET INCREASE (DECREASE) IN CASH HELD</b>			
<b>CASH AT 1 JULY</b>			
<b>CASH AT 30 JUNE</b>			
	8.1	<b>940</b>	<b>596</b>

## Schedule of Administered Expenses and Revenues for the year ended 30 June 2002

	Note	2002 \$'000	2001 \$'000
<b>ADMINISTERED EXPENSES:</b>			
Employee entitlements	1.3, 9.2	207	212
Amounts paid/payable to consolidated account		8 478	8 360
Goods and services tax paid/payable		770	443
<b>Total Administered Expenses</b>		<b>9 455</b>	<b>9 015</b>
<b>ADMINISTERED REVENUES:</b>			
Fees for audit services	9.1	7 700	7 913
Sundry revenue		-	4
Goods and services tax received/receivable on audit fees		770	443
Appropriation under Special Acts	3, 9.2	199	196
Appropriation - Goods and Services Tax	3	735	290
<b>Total Administered Revenues</b>		<b>9 404</b>	<b>8 846</b>
<b>ADMINISTERED REVENUE LESS ADMINISTERED EXPENSES</b>			
		<b>(51)</b>	<b>(169)</b>

## Schedule of Administered Assets and Liabilities as at 30 June 2002

	Note	2002 \$'000	2001 \$'000
<b>ADMINISTERED ASSETS:</b>			
CURRENT:			
Receivables	1.7, 9.1	564	590
<b>Total Administered Assets</b>		<b>564</b>	<b>590</b>
<b>ADMINISTERED LIABILITIES:</b>			
CURRENT:			
Employee entitlements	1.3, 6	88	93
Creditors and accruals		9	-
Amounts payable to consolidated account	9.1	564	590
Goods and services tax payable		187	153
<b>Total Current Liabilities</b>		<b>848</b>	<b>836</b>
NON-CURRENT:			
Employee entitlements	1.3, 6	170	157
<b>Total Non-Current Liabilities</b>		<b>170</b>	<b>157</b>
<b>Total Administered Liabilities</b>		<b>1 018</b>	<b>993</b>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

## 1. Statement of Significant Accounting Policies

## 1.1 Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Consensus Views and the Treasurer's Instructions and Accounting Policy Statements issued pursuant to the *Public Finance and Audit Act 1987* (the Act). The accounts are presented on the accrual basis of accounting using historical cost accounting which does not take into account changing money values. Unless otherwise stated, the accounting policies adopted are the same as those in the previous year.

## 1.2 Appropriations

The Department is funded by Parliamentary appropriations for the full accrual cost of its services. The appropriation is paid into a special deposit account titled 'Auditor-General's Department Operating Account'. Appropriation for accrued expense at year end has in previous years been deposited in a special deposit account in the name of the Department at Treasury titled 'Accrual Appropriation Excess Funds'. Use of the funds requires the approval of the Treasurer. Pursuant to Treasurer's Instruction 3.8, this money is deemed to be controlled by the public authority in the name of which the money is recorded.

Administered items are funded by Parliamentary appropriations on a cash basis.

## 1.3 Employee Entitlements

Provision has been made for employee entitlement liabilities arising from services rendered by employees to balance date in accordance with Australian Accounting Standard AAS 30 'Accounting for Employee Entitlements'. Employee entitlements comprise entitlements to salaries and wages, annual leave, long service leave and workers compensation.

- *Salaries, Wages and Annual Leave*  
Liabilities for salaries and wages and annual leave are recognised, and are measured as the amount unpaid at current pay rates in respect of employee service periods up to the reporting date.

- *Sick Leave*  
No liability is recognised, as sick leave taken by employees is considered to be taken from the current year's accrual.

- *Long Service Leave*  
Long service leave is recognised on a pro-rata basis for the employee service periods up to the reporting date. The Department of Treasury and Finance has advised that a benchmark of eight years service can be used for a shorthand estimation of long service leave liability in accordance with the provisions of AAS 30. This advice has been adopted and the long service leave liability as at 30 June 2002 has been calculated at nominal amounts based on current salary and wage rates for employees with eight or more years service.

The long service leave to be taken in the 12 months to 30 June 2003 has been estimated by adding the estimated termination payments in this period to the estimated long service leave to be taken by ongoing employees in the 12 months (based on previous years' experience). The basis of calculation is similar to that used in previous years.

- *Workers Compensation*  
The workers compensation provision is an actuarial estimate of the outstanding liability at 30 June provided by a consulting actuary engaged through the Office for the Commissioner for Public Employment. This actuarial estimate provides for the estimated cost of ongoing payments to employees as required under current legislation.

The Department is responsible for the payment of day to day workers compensation claims. Any lump sum settlements are funded from the Government Workers Compensation Fund, administered by the Department of the Premier and Cabinet.

- *Superannuation*  
The Department's liability for superannuation is to the Department of Treasury and Finance rather than the superannuation beneficiaries. The Department pays amounts to the Department of Treasury and Finance which represents the Department's share of the accruing liability to employees in relation to the Government's various superannuation schemes. The liability for superannuation is included in Employment on-costs.

## 1.4 Computer and Office Facilities

Computer and office facilities are recorded at historical cost less accumulated depreciation.

Non-current assets with acquisition cost greater than \$2000 are depreciated using the straight line method of depreciation over their useful lives, which reflects the consumption of their service potential.

All assets useful lives have been set at three years.

## 1.5 Inventories

Consumable supplies are not recognised in the Statement of Financial Position as the value of these supplies is not considered to be material.

## 1.6 Administered Items

The Department has two Administered Items namely:

- *Special Acts*  
As provided in subsection 24(4) of the Act, the Department receives a separate appropriation for the cash salary and allowances of the Auditor-General.

- *Administered Revenue*  
Section 39 of the Act provides for the levying of fees for audit services provided by the Department. All audit fee monies received by the Department are paid into the Consolidated Account. The Department receives a cash appropriation to fund the payment of Goods and Services Tax on audit fees to the Australian Taxation Office.

### 1.7 Financial Instruments

The Department's accounting policies for financial instruments, including the terms and conditions of each class of financial asset and financial liability recognised at 30 June 2002, are as follows:

- Cash is held in two Special Deposit Accounts as detailed in Note 1.2 and in two imprest accounts;
- Two interest free imprest accounts are advanced to the Auditor-General by the Treasurer pursuant to section 9 of the Act and are repayable on demand.
- Receivables relate to:
  - Audit Fee debtors (Note 9.1). Terms are 14 days;
  - Goods and Services Tax Receivable. Terms are 14 days of submission of quarterly Business Activity Statement;
- Creditors are raised for amounts billed but unpaid and are normally settled within 30 days;
- All financial instruments are valued at historical cost in the Statement of Financial Position, which approximates net fair value.

### 1.8 Goods and Services Tax

In accordance with the requirements of UIG Abstract 31 'Accounting for the Goods and Services Tax (GST)', revenues, expenses and assets are recognised net of the amount of GST except that:

- the amount of GST incurred by the Department as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense;
- receivables and payables are stated with the amount of GST included.

The net GST receivable/payable to the Australian Taxation Office has been recognised as a receivable/payable in the Statement of Financial Position.

Cash flows are reported on a gross basis in the Statement of Cash Flows. The GST component of the cash flows arising from investing or financing activities, which are recoverable from, or payable to, the Australian Taxation Office have however been classified as operating cash flows.

## 2. Objectives of the Department

The Department's main statutory responsibilities are to audit the public accounts and the accounts of public authorities and to report the results to Parliament in accordance with the requirements of the Act.

The Department's sole output class is the provision of Auditing Services covering all the audit responsibilities prescribed under the Act. Within this class there are two outputs:

- *Prescribed Audits*  
Includes all audit work to be undertaken for agencies where the Auditor-General is the prescribed auditor and the Department must annually conduct the audit as prescribed by the Act. During the year the Department spent \$8 941 000 on this output.
- *Special Investigations*  
Includes all work defined in the Act that is specifically requested to be undertaken by the Auditor-General. The Auditor-General may be requested to undertake work associated with:
  - conducting and reporting on Special Investigations when requested by the Parliament or Treasurer;
  - reviewing summaries of confidential government contracts and reporting on the adequacy of the document as a summary of the contents of the contract when requested to do so by a Minister.

These projects have specific Terms of Reference requested by the referring party and are treated as a separate output. Consistent with the legislative requirement of audit independence the reports are presented directly to the Parliament. During the year the Department finalised work on the Special Investigation - 'Hindmarsh Soccer Stadium Redevelopment'. Expenditure on this output totalled \$219 000.

## 3. Funding of the Department

Appropriations to the Department in 2001-02 amounted to \$9 232 000 (\$9 654 000).

Appropriations under Special Acts are reported under Administered Items.

A summary of appropriations and departmental accrual funding for the year is set out below.

	Department		Administered Items	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Appropriation:				
Prescribed audits	9 232	9 254	-	-
Special Investigations	-	400	-	-
Special Acts	-	-	199	196
Goods and Services Tax	-	-	735	290
	<b>9 232</b>	<b>9 654</b>	<b>934</b>	<b>486</b>
Accrual Appropriation Excess Funds Account:				
Used for payments during year	-	(569)	-	-
Interest	84	-	-	-
	<b>84</b>	<b>(569)</b>	<b>-</b>	<b>-</b>
Balance of funds at beginning of year	285	854	-	-
Balance of funds at end of year	<b>369</b>	<b>285</b>	<b>-</b>	<b>-</b>

<b>4.</b>	<b>Loss on Disposal of Assets</b>	<b>2002</b>	<b>2001</b>
		<b>\$'000</b>	<b>\$'000</b>
	Historic cost of assets disposed	236	225
	Less: Accumulated depreciation	<u>178</u>	<u>146</u>
		58	79
	Proceeds on disposal	<u>59</u>	<u>49</u>
	<b>Total (Profit) Loss on Disposal of Assets</b>	<u><b>(1)</b></u>	<u><b>30</b></u>

<b>5.</b>	<b>Computer and Office Facilities</b>		
	<b>5.1 Classes of Computer and Office Facilities</b>		
	Computing and office equipment - At cost	898	798
	Accumulated depreciation	<u>(489)</u>	<u>(455)</u>
		409	343
	Computer software - At cost	301	298
	Accumulated depreciation	<u>(270)</u>	<u>(252)</u>
		31	46
	Library - At cost	16	16
	Accumulated depreciation	<u>(16)</u>	<u>(16)</u>
		-	-
	Leasehold improvements - At cost	76	76
	Accumulated depreciation	<u>(76)</u>	<u>(76)</u>
		-	-
	Projects - At cost	169	150
	Accumulated depreciation	<u>(120)</u>	<u>(71)</u>
		49	79
	<b>Total Computer and Office Facilities</b>	<u><b>489</b></u>	<u><b>468</b></u>

<b>5.2</b>	<b>Reconciliation of Carrying Amount</b>				
		Carrying		Carrying	
		Amount		Amount	
		1st July	Additions	Disposals	Depreciation
		\$'000	\$'000	\$'000	\$'000
					<b>30 June</b>
					<b>\$'000</b>
	Computing and office equipment	343	337	(58)	(213)
	Computer software	46	2	-	(17)
	Library	-	-	-	-
	Leasehold improvements	-	-	-	-
	Projects	79	19	-	(49)
	<b>Total Computer and Office Facilities</b>	<u>468</u>	<u>358</u>	<u>(58)</u>	<u>(279)</u>
					<b>489</b>

<b>6.</b>	<b>Employee Entitlements</b>				
	Department Administered Items	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
	Current:	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
	Salaries	25	14	1	1
	Annual leave provision	359	334	87	92
	Long service leave provision	198	183	-	-
	Workers compensation provision	4	3	-	-
	<b>Total Current</b>	<u>586</u>	<u>534</u>	<u>88</u>	<u>93</u>
	Non-Current:				
	Long service leave provision	1 123	1 033	170	157
	Workers compensation provision	13	12	-	-
	<b>Total Non-Current</b>	<u>1 136</u>	<u>1 045</u>	<u>170</u>	<u>157</u>
	<b>Aggregate Employee Entitlement Liability</b>	<u><b>1 722</b></u>	<u><b>1 579</b></u>	<u><b>258</b></u>	<u><b>250</b></u>

Employee entitlements recorded under Administered Items relate to the salary and allowances of the Auditor-General.

**7. Total Equity**  
The deficit arises as a result of the Department's previous funding arrangements. Prior to 1998-99, the Department was funded on a cash basis, which did not take account of the full accrual liabilities. The Department will continue to receive annual appropriations from the Consolidated Account to fund its operations. Without funding to meet past liabilities the Department will continue to have a deficit.

**8. Notes to the Statement of Cash Flows**

**8.1 Reconciliation of Cash**

For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks. Cash at 30 June as shown in the Statement of Cash Flows is reconciled to the Statement of Financial Position as follows:

	<b>2002</b>	<b>2001</b>
	<b>\$'000</b>	<b>\$'000</b>
Auditor-General's Department Operating Account	568	308
Accrual Appropriation Excess Funds Account	369	285
Imprest Accounts	<u>3</u>	<u>3</u>
	<u><b>940</b></u>	<u><b>596</b></u>

**8.2 Reconciliation of Net Cost of Services to Net Cash provided by Operating Activities**

Net cost of services	(9 025)	(9 675)
Cash flows from government	9 232	9 654
Depreciation	279	269
Decrease (Increase) in receivables	15	(113)
Increase in employee entitlements	143	55
(Decrease) in creditors and accruals	(34)	(90)
Increase (Decrease) in employment on costs	34	(14)
(Profit) Loss on disposal of assets	<u>(1)</u>	<u>30</u>
<b>Net Cash provided by Operating Activities</b>	<u><b>643</b></u>	<u><b>116</b></u>

## 9. Administered Items

## 9.1 Auditing Fees

Section 39 of the Act provides for the levying of fees for audit services provided by the Department that are paid into the Consolidated Account.

	2002	2001
	\$'000	\$'000
Fees outstanding at 1 July	590	56
Billings (including goods and services tax)	8 470	8 356
	9 060	8 412
Receipts (including goods and services tax)	(8 496)	(7 822)
<b>Fees outstanding at 30 June</b>	<b>564</b>	<b>590</b>

At 30 June, the value of audit work in progress was \$2 352 000 (\$2 512 000). The Department is of the opinion that this amount is recoverable.

## 9.2 Special Acts

Subsection 24(4) of the Act, provides that the salary and allowances of the Auditor-General will be determined by the Remuneration Tribunal and will be paid from the Consolidated Account.

## 10. Remuneration of Employees

	2002	2001
	Number of Employees	Number of Employees
The number of employees whose total remuneration is within the followings bands was:		
\$120 000 - \$129 999	4	4
\$130 000 - \$139 999	1	1
\$250 000 - \$259 999	1	1
Total remuneration received or receivable by these employees was \$896 000 (\$881 000).		

## 11. Operating Leases

The Department's operating leases are for the leasing of office accommodation and motor vehicles.

- Office Accommodation*

Office accommodation is leased from the Real Estate Management business unit of the Department for Administrative and Information Services (DAIS). The lease expires on 30 June 2004 and there is a right of renewal for six years from that date. The rental amount is based on floor space and the time period of the lease, with the rental rate reviewed by Real Estate Management every two years.
- Motor Vehicles*

Motor vehicles are leased from the Fleet SA business unit of DAIS. The vehicles are leased for a specified time period or a specified number of kilometres, whichever occurs first. The lease rate is determined according to the type of vehicle being leased and the number of months of the lease period. The lease rates are reviewed annually by Fleet SA.

For the current year the total amount of expense for minimum lease payments for operating leases was \$533 000 (\$499 000).

**Operating Lease Commitments**

	2002	2001
	\$'000	\$'000
At the reporting date the Department had the following obligations under non-cancellable operating leases (these obligations have not been recognised as liabilities):		
Not later than one year	476	473
Later than one year and not later than five years	454	898
<b>Total Operating Lease Commitments</b>	<b>930</b>	<b>1 371</b>

## 12. Remuneration of Auditor

Remuneration for audit of financial reports	7	7
Remuneration for other services	-	-
	<u>7</u>	<u>7</u>

To the best of our knowledge and belief internal controls over financial reporting have been effective throughout the year ended 30 June 2002 and the foregoing Statement of Financial Performance, Statement of Financial Position and Statement of Cash Flows and the Notes thereto, present fairly, in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987*, applicable Australian Accounting Standards and other mandatory professional reporting requirements, the financial position of the Auditor-General's Department as at 30 June 2002, the results of its operations and its cash flows for the year ended 30 June 2002.



K I MacPherson  
AUDITOR-GENERAL



T N Knight  
MANAGER, ADMINISTRATION AND FINANCE

Chartered Accountants  
Business Advisers and Consultants



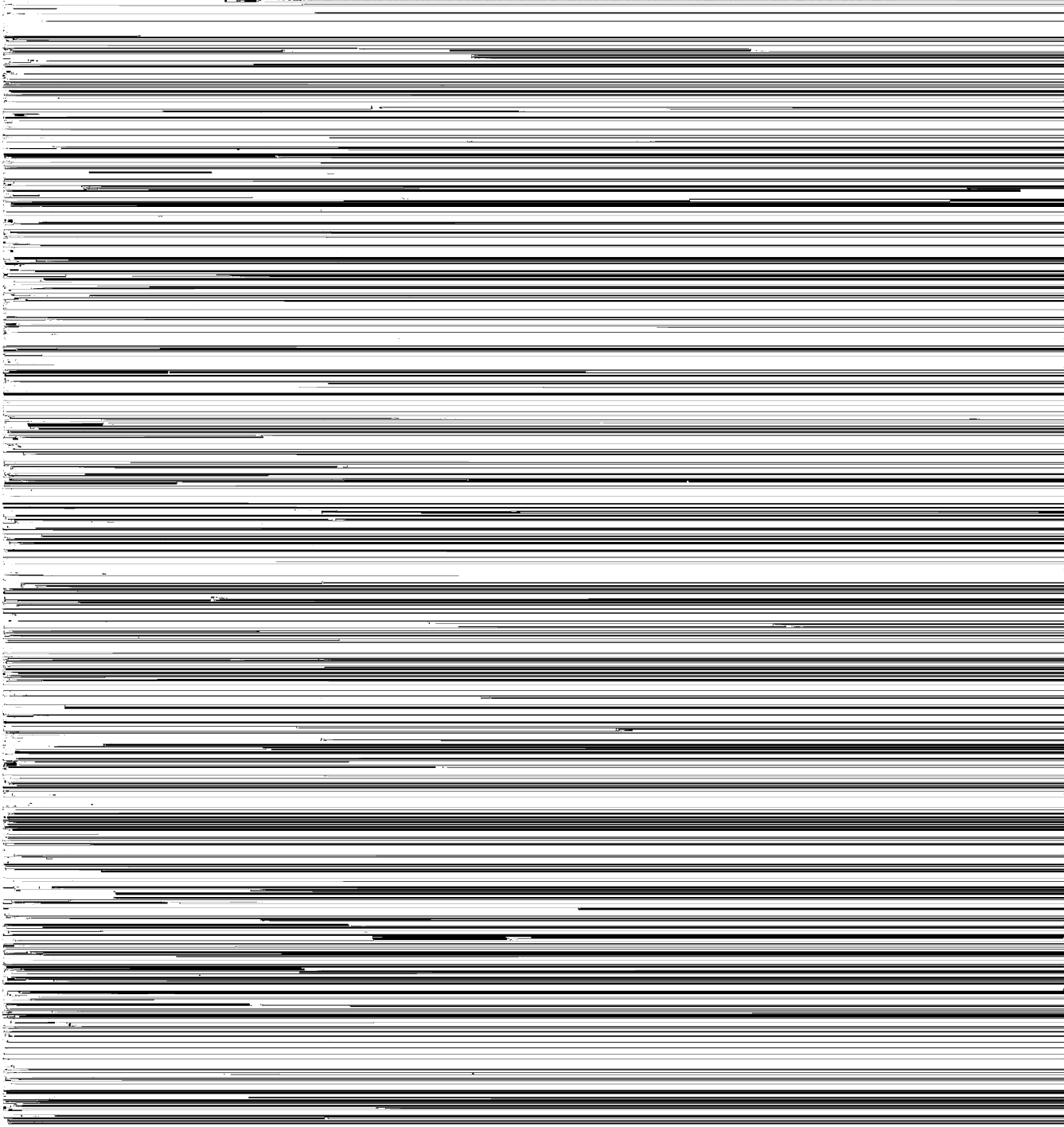
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**INDEPENDENT AUDIT REPORT**

To the Treasurer of the South Australian Government

**Scope**

As required by Section 35 of the Public Finance and Audit Act, 1987, we have audited the financial report of the Auditor-General's Department, comprising the Statement of Financial Performance, Statement of Cash Flows, and Schedule of Administered Expenses and



# APPENDICES





## APPENDIX B

## SUMMARY OF PROFESSIONAL DEVELOPMENT 2001-02

COURSE TITLE	TRAINING (HOURS)
Audit Command Language Software Package	301
AGES Methodology	405
Analytical Procedures	548
Audit System/2 - Document Manager	270
Audit System/2 - Trial Balance	263
Being an Effective Team Member	58
Career Planning	98
Computer Information Systems Auditing	776
Corroborative Inquiry	392
Ergonomics and Manual Handling	84
General Accounting Update	540
General Financial Reporting Modules 2 and 3	417
Get That Job - Modules 1 and 2	200
Graduate Induction Program	342
Igraphx Professional Flowcharter	30
Location Database Training	63
Leadership Development	203
Managing Conflict	105
Occupational Health,Safety and Welfare	123
Performance Management Trial Training	188
Specific Financial Reporting Modules 1 and 2	779
Stress Management Workshop	93
Team Leadership	713
The Ins and Outs of Recruitment and Selection	188
<b>Total</b>	<b>7179</b>

## APPENDIX C

## SUMMARY OF EXTERNAL TRAINING PROGRAMS 2001-02

COURSE TITLE	TRAINING HOURS
Advanced Management Skills for Executive Personal Assistants	7
Auditing Solicitors Trust Account	4
Basic Budgeting for Non-Accountants	8
Becoming An Employer of Choice	15
Building Self Confidence	20
Business Planning	8
Certificate in Management	60
Communications Practices in Audit Offices	13
Contact Person Role	10
CPA Congress 2001	192
Corporate Failures - Can They be Prevented	2
Deliver Training Sessions	21
Discrimination and Harassment	6
Electronic Document Records Management for Government	18
Excel 97 Intermediate	8
E-volve or Die	8
FBT Simplifier Software Training	7
Fire Warden Training	10
Fire Warden	23
First Line Management	602
Fringe Benefits Tax Workshop	12
How To Become a Better Communicator	8
HR Conference	15
Identify Fraud Risk in the 21st Century	2
Managing Government Risk	38
Microsoft FrontPage 2000	12
MS Access 2000 Introduction	15
MS Excel 2000 Advanced	15
National Medico-Legal Congress	15
NCVER Research Forum	6
Online Business - Law & Regulations	15
Plan Training Programs	14
Performance Indicators for Government	8
Project Management - A Practical Guide	15
Public Sector Day	48
Reward and Recognition	4
Senior First Aid Revision	14
Statement of Cash Flows	3
Sprains and Strains	8
Taxation Workshops	9
Train Small Groups	21
Workplace Assessor	14
<b>Total</b>	<b>1 353</b>

**APPENDIX D**  
**LIST OF STAFF, QUALIFICATIONS AND MEMBERSHIP OF**  
**PROFESSIONAL BODIES AS AT JUNE 2002**

EMPLOYEE		QUALIFICATONS	MEMBERSHIP OF PROFESSIONAL BODIES
Abbott	D M	B Sc (Maths & Comp Sc)	ASA
Adams	B J	B Com	
Anderson	K	B Com	CPA
Austin	A	Ass Dip Comp Stud, Cert in Softw QA & Man	
Bennett	A F	Dip Acc	CPA, MACS
Bergamaschi	R C	B Ec, Grad Dip Acc	CPA
Bianco	S	B A Acc	CPA
Borgman	B J	B Acc, B Bus (MIS)	ASA
Brincat	B P	B A Acc	CPA
Brink	J	B Acc	CPA
Brooks	T B	Acc	ASA
Bulau	A B	Com & Admin (Acc & Com Law), Grad Dip Prof Acc, Dip Com Design	
Calabrese	I	B Com	
Champness	B	B Bus (Ec & Fin)	
Chan	C	B Com, B Comp Sc	ASA
Chuah	R	B Com, Grad Dip Psyc	ASA
Churches	S L	B Ec Acc	CPA
Coelho	R	B Acc	
Creek	A	B Com (Hons)	CPA
Davies	S		
De Cesare	D	B Ec Acc	CPA
Deegan	P A		
Diegmann	M	B A Acc	CPA
Fogal	A	B Com (Acc)	ASA
Furze	K A	Sec Dip	
Gallomarino	R	B Ec Acc	CPA
Garreffa	M	B Com, B Bus (MIS)	
Gentilcore	S	B Bus, HRD	AFAHRI
Giannopoulos	G	B A Acc	CPA
Gichuhi	L	B Com	ASA
Giulianetti	R	B Ec Acc	FCPA
Gladigau	S M	B Com	
Goss	B	B Com	ASA
Gouros	V	B Ec, Dip Acc	CPA
Grace	A J	B Com	ASA
Grace	A K	B Com	
Grieger	B	B Com	ASA
Gunn	M L	B A Acc, Grad Dip Acc	CPA
Gust	I	B Com Acc, B Ec	
Hartshorne	C	B Com (Acc)	ASA
Hatswell	C	B Ec, Grad Dip Acc	ASA
Haydon	W M	B Ec Acc	CPA
Hill	T C	B Ec Acc	CPA
Hinds	D G	B Eng	FCA
Huddy	R W	B Bus Prop (Val), B Bus Acc	ASA

**LIST OF STAFF, QUALIFICATIONS AND MEMBERSHIP OF  
PROFESSIONAL BODIES AS AT JUNE 2002**

EMPLOYEE		QUALIFICATONS	MEMBERSHIP OF PROFESSIONAL BODIES
Iacopetta	F	B Acc	
Jared	S P	B A Acc	ASA
Jarrett	L C	B Com	ASA
Jasser	D O	B Com	ASA
Jordan	C V	Cert First Line Mgmt, Cert Bus Pract	
Kelly	C L	B A Acc	ASA
Kennedy	A M	B Bus Acc	CPA
Kiefel	D	B Com	ASA
Knight	T N	B Com & Admin, Dip Acc, Dip Cost Acc	ACA (NZ), CMA (NZ)
Kolecki	C	Cert Off Sk, Cert Off Proc, Cert Clerical Proc (Gen Off)	
Lam	E	B Com Acc	
Leckie	J S	B Bus Acc	CPA
Loizi	S		
Lutz	A L	B Man, Grad Dip Com	
Mack	J		
MacLean	S	B Com	
MacPherson	K I	LLB	FCPA
Marsh	S W	B Ec, Dip Acc	CPA
Matthews	R J	B A Acc	CPA
McCabe	L	Dip IT	
McGlen	I C	B A Acc	CPA
Migliore	F	B A Acc	CPA
Moloney	K	B A (Libr & InfMgmt)	
Mouton	S A	B Com	CPA
Nguyen	D	B Com Acc, LLB	
Nguyen	H T	B Com	ASA
Norris	A D	Dip Acc	FCPA
Nugent	S M	B Ec Acc	CPA
O'Donohue	D	B Com	ASA
O'Neill	S	B A Acc	CPA
Owen	M	B A Acc	CPA
Pascoe	G J	Bus Cert (Acc)	
Pedron	D	B Com (Acc)	ASA
Pineda	J	B Chem Eng, B Acc	ASA
Pineda	L	B Com	ASA
Poulos	G	B Bus Acc	
Prabhu	C	B Com (Acc), Adv Dip Acc	

**LIST OF STAFF, QUALIFICATIONS AND MEMBERSHIP OF  
PROFESSIONAL BODIES AS AT JUNE 2002**

EMPLOYEE		QUALIFICATONS	MEMBERSHIP OF PROFESSIONAL BODIES
Reszitaryk	I M	B A Acc	CPA
Richardson	A J	B Ec Acc	CPA
Richardson	L C	B Com	CPA
Rolton	B W	Dip Acc	CPA
Romeo	F	B Acc	ASA
Rossi	P A	B A Acc	CPA
Rowell	S	B Com (Acc)	ASA
Sexton	T	B A Acc	CPA
Shore	R	B Com	ASA
Sierros	B	B Ec, Dip Acc	CPA
Slaytor	K M	B A (Jur), LLB, GDLP, B Acc	ASA
Smart	D H	B Ec, B Acc, B A (Hons) (Psych)	ASA
Sorell	M	B Com Acc	ASA
Srdic	S	Adv Dip in Acc	
Stathoulis	H	B Com	ASA
Stephens	R		
Stint	M J	Adv Dip in Acc	ANIA
Symons	T	B Com	
Tang	E S	B Com, B Sc (Comp Science)	ASA
Tate	W J	B A Acc	CPA
Tauriello	A	B Com Acc	ASA
Telford	I	B A Acc	CPA
Terrington	K	B Com	
Thompson	GP	B Com Acc	CPA
Thompson	J D	B A, Grad Dip Sysys Anal, Mast Prof Acc	
Wozniak	M M	Cert Voc Edn (Inf Tech), Cert Microcomp Sup	
Yates	KA	B Com	CPA
Yip	J	B Com, LLB, GDLP	ASA, LSSA

## APPENDIX E

### AGENCIES AND STATUTORY FUNDS AUDITED BY THE DEPARTMENT (AS AT 30 JUNE 2002)

Aboriginal Lands Trust  
Adelaide Cemeteries Authority  
Adelaide Convention Centre Corporation  
Adelaide Entertainments Corporation  
Adelaide Festival Centre Trust  
Adelaide Festival Corporation  
Administrative and Information Services – Department for  
Agents Indemnity Fund  
Animal and Plant Control Commission  
Arid Areas Catchment Water Management Board  
Art Gallery Board  
Attorney-General's Department  
Austraining International Pty. Ltd.  
Australian Childrens Performing Arts Company – The  
Austriacs  
Bookmark Biosphere Trust  
Botanic Gardens and State Herbarium – Board of the  
Carrick Hill Trust  
Carwell Pty Ltd  
Child and Youth Health  
Chiropractors Board of South Australia  
Coast Protection Board  
Commissioners of Charitable Funds  
Construction Industry Training Board  
Correctional Services – Department for  
Country Fire Service Board  
Courts Administration Authority  
Crichbee Pty Ltd  
Dairy Authority of South Australia  
Distribution Lessor Corporation  
Dog and Cat Management Board  
Dog Fence Board  
Dried Fruits Board  
Drug and Alcohol Services Council  
Education Adelaide  
Education, Training and Employment – Department of  
Electricity Reform and Sales Unit & Electricity Sale/Lease Proceeds Account  
Electricity Supply Industry Planning Council  
Emergency Services Administrative Unit  
Environment and Heritage – Department for  
Environment Protection Authority  
Eyre Peninsula Catchment Water Management Board  
Farm Business Improvement Program  
Flinders Medical Centre  
Flinders University of South Australia  
General Reserves Trust  
Generation Lessor Corporation  
Government Workers Rehabilitation and Compensation Fund  
Governors Pensions Schemes  
Health and Community Services Ministerial Council  
History Trust of South Australia  
HomeStart Finance  
Human Services – Department for  
Independent Gaming Authority  
Independent Gaming Corporation Ltd.  
Industrial and Commercial Premises Corporation  
Industry and Trade – Department of

**AGENCIES AND STATUTORY FUNDS AUDITED BY THE DEPARTMENT  
(AS AT 30 JUNE 2002)**

Information Industries Development Centre (trades as Playford Centre)  
 Institute of Medical and Veterinary Science  
 Intellectual Disability Service Council Inc.  
 Judges' Pensions Schemes  
 Julia Farr Services  
 Justice – Department of  
 Kantilla Pty Ltd  
 Land Management Corporation  
 Legal Services Commission of South Australia  
 Legal Services Commission of South Australia – Trust Account  
 Legislature – The  
 Libraries Board of South Australia  
 Local Government Finance Authority of South Australia  
 Local Government Superannuation Board  
 Lotteries Commission of South Australia  
 Martindale Hall Development Trust  
 Medical Board of South Australia  
 Medvet Science Pty Ltd  
 Modbury Hospital  
 Motor Accident Commission  
 Museum Board  
 Narana Pty Ltd  
 National Centre for Vocational Education Research Ltd  
 National Wine Centre  
 Native Vegetation Fund  
 Natural Heritage Trust Partnership  
 North Western Adelaide Health Service  
 Northern Adelaide/Barossa Catchment Water Management Board  
 Notional State Housing Authority  
 Occupational Therapists Registration Board of South Australia  
 Office of Venue Management  
 Onkaparinga Catchment Water Management Board  
 Optometrists Board of South Australia  
 Outback Areas Community Development Trust  
 Parliamentary Superannuation Scheme  
 Passenger Transport Board  
 Patawalonga Catchment Water Management Board  
 Planning and Development Fund  
 Playford Capital Pty Ltd  
 Police Department  
 Police Superannuation Scheme  
 Ports Corp Sale/Lease Proceeds Account  
 Premier and Cabinet – Department of the  
 Primary Industries and Resources – Department of  
 Public Finance and Administration  
 Public Trustee Office  
 Repatriation General Hospital Incorporated  
 RESI Corporation  
 RESI Gas Pty Ltd  
 Residential Tenancies Fund  
 Retail Shop Leases Fund  
 Revenue SA  
 River Murray Catchment Water Management Board  
 Royal Adelaide Hospital  
 Rural Adjustment Scheme  
 Rural Industry Adjustment and Development Fund  
 S.A. St. John Ambulance Service Incorporated  
 SA Forestry Corporation

**AGENCIES AND STATUTORY FUNDS AUDITED BY THE DEPARTMENT  
(AS AT 30 JUNE 2002)**

SA Water International Pty Ltd  
 SABOR Ltd  
 SABT Pty. Ltd.  
 Second Hand Vehicles Compensation Fund  
 Senior Secondary Assessment Board of SA  
 South Australian Aboriginal Housing Authority  
 South Australian Asset Management Corporation  
 South Australian Athletics Stadium  
 South Australian Centre for Public Health  
 South Australian Community Housing Authority  
 South Australian Country Arts Trust  
 South Australian Dental Service  
 South Australian Film Corporation  
 South Australian Finance Trust Ltd.  
 South Australian Government Captive Insurance Corporation  
 South Australian Government Financing Authority  
 South Australian Health Commission and Associated Activities  
 South Australian Housing Trust  
 South Australian Independent Industry Regulator  
 South Australian Local Government Grants Commission  
 South Australian Metropolitan Fire Service  
 South Australian Motor Sport Board  
 South Australian Ports Corporation  
 South Australian Psychological Board  
 South Australian Superannuation Scheme  
 South Australian Tertiary Admissions Centre  
 South Australian Tourism Commission  
 South Australian Trade and Investment Corporation  
 South Australian Water Corporation  
 South East Catchment Water Management Board  
 South Eastern Water Conservation and Drainage Board  
 Southern Group Insurance Corporation  
 Southern State Superannuation Scheme  
 State Disaster Relief Fund  
 State Electoral Office  
 State Governor's Establishment  
 State Heritage Fund  
 State Opera of South Australia – The  
 State Opera Ring Corporation  
 State Supply Board  
 State Theatre Company of South Australia  
 Superannuation Funds Management Corporation of South Australia (trades as Funds SA)  
 Targeted Voluntary Separation Package Scheme  
 Teachers Registration Board  
 Torrens Catchment Water Management Board  
 TransAdelaide  
 Transmission Leasing Pty Ltd  
 Transmission Lessor Corporation  
 Transport, Urban Planning and the Arts – Department for  
 Treasury and Finance – Department of  
 Treasury and Finance – Department of – Administered Special Deposit Accounts  
 University of Adelaide  
 University of South Australia  
 University of South Australia Foundation Inc  
 Veterinary Surgeons Board  
 Water Resources Levy Fund  
 Water, Land and Biodiversity Conservation – Department of  
 West Beach Trust  
 Wildlife Conservation Fund  
 Women's and Children's Hospital  
 X TAB Pty Ltd

*Total number of audits for 2001-02* 176